



**FRANCHISE DISCLOSURE DOCUMENT
WTW US FRANCHISE SYSTEMS LLC,
a DELAWARE LLC**

6 West Railroad Ave., Second Floor

Tenafly, New Jersey 07670

Telephone: 646-722-8191

E-mail: info@woktowalk.com

www.woktowalk.com

The franchisor is WTW US Franchise Systems LLC (“we”, “us”, “our” or “Franchisor”). We develop and offer under the “Wok to Walk” and related trademarks and service marks franchises for the operation of a quick service restaurant business offering fresh and healthy asian food to the general public.

The total investment necessary to begin operation of a Wok to Walk franchise ranges from \$346,000 to \$823,500 for a start-up franchisee. This includes \$30,000 that must be paid to us or our affiliate.

The disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all agreements carefully. You must receive this disclosure 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 David Rojas, Chief Executive Officer, at 6 West Railroad Ave., Second Floor, Tenafly, New Jersey 07670, telephone number 646-722-8191, email address David.rojas@woktowalk.com.

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 an accountant.

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

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

The issuance date is April 1, 2023.

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

Operating restrictions. The franchise agreement may prohibit you from operating 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. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by litigation only in New York. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate with the franchisor in New York than in your own state.
2. **Financial Condition.** 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.
3. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the Franchise Agreement, even if your spouse has no ownership interest in the franchise. This Guarantee will place both you and your spouse's marital and personal assets (perhaps including your house) at risk if your franchise fails.

Certain states may require other risks to be highlighted. If so, check the "State Specific Addenda" pages for your state.

**THE FOLLOWING APPLY TO
TRANSACTIONS GOVERNED BY
THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY**

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.

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, 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.
- (c) A provision that permits a franchisor to terminate a franchise prior to 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.
- (d) 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.
- (e) 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.
- (f) 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.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for a 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:
 - (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

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

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

(iv) 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.

(h) 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).

(i) 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.

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:

State of Michigan
Department of Attorney General
CONSUMER PROTECTION DIVISION
Attention: Franchise
670 Law Building
Lansing, Michigan 48913
Telephone Number. (517) 373-7117

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

The Franchisor

To simplify the language in this Franchise Disclosure Document, the words “we”, “us”, “our” or “Wok to Walk” refer to WTW US FRANCHISE SYSTEMS LLC, the franchisor of this business. The words “you” and “your” refer to the person or entity to whom we grant a franchise.

We are a Delaware limited liability company organized on December 15, 2016. Our principal business address is 6 West Railroad Ave., Second Floor, Tenafly, New Jersey 07670. We do not do business under any other name.

Our Parent, Predecessors and Affiliates

We have a parent company which is Wok to Walk Franchise BV, whose principal business address is Leidestraat 85, 1017NX, Amsterdam, Netherlands. Wok to Walk Franchise BV was incorporated in the Netherlands in 2004, and owns and licenses similar franchises to those being offered hereunder. Wok to Walk Franchise BV sells Wok to Walk franchises in Europe and offers franchise services to Wok to Walk franchisees located in Europe. Wok to Walk Franchise BV owns 100% of the limited liability company membership interest in Wok to Walk.

We have no predecessors or affiliates. We do not offer franchises in other lines of business.

Our Business Activities and the Franchise Offered

We were formed for the purpose of selling franchises and supporting franchisees who operate under the Wok to Walk System and are engaged in the business of developing a network of quick service restaurants throughout the United States that utilize the Wok to Walk System and are affiliated with the Wok to Walk service mark. We refer to these businesses as “Wok to Walk Units”. We refer to the Wok to Walk Unit you will operate as the “Franchised Unit.” You may apply for a franchise to utilize our System for either an existing restaurant or food business, which you presently operate, or a food unit which you plan to develop.

Wok to Walk Units utilize proprietary ingredients to provide fresh and healthy asian food to the general public. Each Wok to Walk Unit typically operates from a facility ranging in size from 1,000 to 2,500 square feet. You will operate the Franchised Unit in accordance with our standards, methods, procedures and specifications, which we refer to as our “System,” which is described in greater detail in our Franchise Agreement, attached as Exhibit C to this Franchise

Disclosure Document. We have conducted a business of the type to be operated by our franchisees since 2016. We have offered franchises since December, 2016. We do not offer and have not previously offered franchises in any other line of business. We are not engaged in any other line of business. We reserve the right to change or otherwise modify the System at any time in our sole discretion.

Description of the Market

Our concept is targeted to the general public. Your Franchised Unit will provide innovative quick service food products and restaurant services. As a franchisee, you can expect to compete in your market with locally-owned businesses, as well as with national and regional chains, that offer a quick service restaurant experience, including those that specialize in the sale of cuisine similar to your Wok to Walk Unit, as well as products that may not be offered at a Wok to Walk Unit, such as pizza, hamburgers, or sandwiches. The market for these businesses is developing and highly competitive. Quick-service and fast casual restaurant concepts compete on the basis of many factors, such as price, service, location, product quality, promotions and marketing programs.

Industry Specific Regulations

You must comply with all local, state, and federal laws that apply to your restaurant operations including health, sanitation, no smoking, EEOC, OSHA, discrimination, employment, and sexual harassment laws. The Americans with Disabilities Act of 1990 and state equivalents require readily accessible accommodations for disabled people and may affect your building construction, site design, entrance ramps, doors, seating, bathrooms, drinking facilities, etc. There are also federal, state, and local regulations that apply to sanitation, food and menu labeling (such as nutritional and caloric information), food preparation, food handling, food content (such as salt and trans fats), and food service. You must also obtain real estate permits, licenses, and operational licenses. You must comply with all applicable federal, state, and local laws and regulations during the operation of your Restaurant. You should consult with your attorney concerning these and other local laws and ordinances that may affect your Restaurant's operation.

Agents for Service of Process

Our agent for service of process is listed in Exhibit B to this Franchise Disclosure Document.

ITEM 2. **BUSINESS EXPERIENCE**

Rami Lev – President and Chief Executive Officer

Mr. Lev has been the Chief Executive Officer of the Franchisor since its inception in December, 2016. Since January, 2007, Mr. Lev has been the Franchise Sales Director of Wok to Walk Franchise BV, a Dutch corporation located in Amsterdam, Netherlands.

David Rojas – Business Controller

Mr. Rojas has been the Business Controller of the Franchisor since its inception in December, 2016. From May, 2015 through December, 2016, Mr. Rojas was employed as the Controller for Wok to Walk International SL, a Spanish corporation located in Barcelona, Spain.

ITEM 3.
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4.
BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5.
INITIAL FEES

You must pay us an initial Franchise Fee when you sign the Franchise Agreement. The amount of the initial Franchise Fee is \$30,000.00. The Franchise Fee is payable in one lump sum at the signing of the Franchise Agreement. The Franchise Fee is uniform for all franchisees. The Franchise Fee is non-refundable.

If you and we cannot agree upon a suitable site for the operation of the Wok to Walk Unit within 9 months from the later of (i) the date of execution of a lease for, or a binding agreement to purchase, the Approved Location; or (ii) the signing of the Franchise Agreement, we will have the right, in our discretion, to terminate the Franchise Agreement and you will not receive any refund of the franchise fee.

ITEM 6.
OTHER FEES

Below is a detailed description of other recurring or isolated fees or payments, which we impose under the terms of the Franchise Agreement (the “Other Fees”).

OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty Fee	6% of Gross Sales	Monthly	This Fee is payable only to us, is non-refundable, is imposed and collected by us, and is uniformly imposed on all Franchisees. The term Gross Sales means the aggregate of all revenue from the sale of food and any other goods and services from all sources in connection with the Wok to Walk Franchised Unit whether for check, cash, credit or otherwise, including all proceeds from any business interruption insurance, but excluding all refunds, promotions and discounts made or given in good faith, any sales and equivalent taxes which are collected by you for or on behalf of any governmental taxing authority and paid thereto, and the value of any allowance issued or granted to any client of the Franchised Unit which is credited by you in full or partial satisfaction of the price of any services and products offered in connection with the Franchised Unit. (Section 3.2)
Marketing Fund Contribution	Up to .5% of Gross Sales	Monthly	This Fee is payable only to us, is non-refundable, is imposed and collected by us, and is uniformly imposed on all Franchisees. Once established, you agree to contribute up to .5% of Gross Sales. (Sections 3.3 and 11.3) Your contribution may be increased to a maximum of 2%, only after providing you with prior written notice.
Local Advertising	1% of Gross Sales	Annually	You pay directly to suppliers both before and after the Marketing Fund is

Type of Fee	Amount	Due Date	Remarks
			established. Local Advertising is subject to our prior approval. (Section 11.2) This Fee is non-refundable, and is uniformly imposed on all Franchisees.
Ongoing Purchases of Proprietary Food products	\$30,000 to \$50,000 per month	As invoiced, due immediately upon receipt of invoice	This Fee is payable only to us, is non-refundable, is imposed and collected by us, and is uniformly imposed on all Franchisees. Either we or our designated Approved Supplier will supply you with Proprietary Food products as described in ITEM 8. (Section 13.1)
Audit Expenses	1,000 - \$10,000 ; plus interest (18% per annum, or the maximum legal rate, whichever is less) on any underpayment	As invoiced, due immediately upon receipt of invoice	Audit costs payable only if the audit shows an understatement in amounts due of at least 3%. (Section 12.6) Payable to us or directly to the auditors. This Fee is non-refundable, and is uniformly imposed on all Franchisees in the event of an underpayment.
Late Fees/Interest	10% per annum or the highest legal rate (whichever is less), plus collection costs	After a payment's due date; with late payment or upon demand	Applies to all Royalty Fees, Marketing Fund Contributions and amounts due for purchases from us. (Section 3.5) Late fees and interest are payable only to us when due, are non-refundable, are imposed and collected by us, and are uniformly imposed on all Franchisees except as otherwise required by state law.
Insurance Policies	Amount of unpaid premiums, plus our costs and expenses in obtaining coverage for you, which amounts may vary	Upon demand, payable immediately upon receipt of demand	Payable only if you fail to maintain required insurance coverage and we elect to obtain coverage for you. (Section 15.5)
System Modifications	\$100 - \$5,000	As required	Applies to System modifications, including new equipment, fixtures, software, trademark, etc. (Section 10.2)
Transfer Fee	\$7,500	At the	This Fee is payable to us, is non-

Type of Fee	Amount	Due Date	Remarks
		time of transfer	refundable, is imposed and collected by us, and is uniformly imposed on all Franchisees in the event of a transfer. This transfer fee does not apply to an assignment of interest to an entity controlled by you. (Sections 18.2 and 18.3)
Additional Training	Current rates as published in the Manual, currently \$0 per day, and not to exceed \$500 per person per day, but you will pay your expenses as well as your employees' expenses in attending	Time of service	We provide approximately 4 weeks of initial training for your owners, lead chef, manager, shift supervisor, and up to 2 key personnel. You pay for additional training if you request it, in an amount you and we agree in advance. This Fee is payable to us, is non-refundable, is imposed and collected by us, and is uniformly imposed on all Franchisees in the event additional training is requested. (Sections 9.3 and 9.4)
Additional Assistance	Current rates as published in the Manual, currently \$0 per day, and not to exceed \$500 per person per day, plus our expenses for travel, meals and accommodations	Time of assistance	We provide approximately 5 days of assistance around the beginning of operations. You may pay for additional assistance if you request it, in an amount you and we agree in advance. (Section 9.2)
Ongoing Training	Current rates as published in the Manual, currently \$0 per day, and not to exceed \$500 per person per day, plus our expenses for travel, meals and accommodations	Time of program or seminar	You shall pay for ongoing training, in an amount we determine. You will also pay your expenses as well as your employees' expenses in attending. This Fee is payable to us, is non-refundable, is imposed and collected by us, and is uniformly imposed on all Franchisees.
Costs and Attorneys' Fees	Will vary under circumstances	As invoiced, due	You will reimburse us for all costs in enforcing obligations if we prevail. (Section 22.4)

Type of Fee	Amount	Due Date	Remarks
		immediately upon receipt of invoice	
Indemnification	All costs including attorneys' fees	As incurred, due immediately upon receipt of invoice	You defend suits at your cost and hold us harmless against suits involving damages resulting from your operation of the Franchised Unit. (Section 21.2)

ITEM 7.
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

We anticipate that you will incur the following estimated initial expenditures in the establishment of a Wok to Walk Unit.

Type of Expenditures*	Actual or Estimated Amounts For You (\$)	Method of Payment	When Due	To Whom Payment Is To Be Made
Franchise Fee ¹	\$30,000	Certified Check	Upon Signing Franchise Agreement	Us
Real Estate/Rent ²	\$20,000 - \$70,000	As Incurred	Before Beginning Operations	Lessor
Utility Deposits ³	\$1,000 - \$2,000	As Incurred	Before Beginning Operations	Utilities
Leasehold Improvements ⁴	\$150,000 - \$500,000	As Incurred	Before Beginning Operations	Third Parties
Architectural Plans & Design ⁵	\$20,000 - \$40,000	As Incurred	Before Beginning Operations	Third Parties
Equipment, Furniture & Fixtures ⁶	\$70,000 - \$90,000	As Incurred	Before Beginning Operations	Approved Suppliers /Third Parties
Initial Inventory ⁷	\$2,000-\$5,000	As Incurred	Before Beginning Operations	Approved Suppliers Third Parties
Insurance ⁸	\$2,000 - \$4,000	As Incurred	Before Beginning Operations	Third Parties
Office Equipment and Supplies ⁹	\$9,000 - \$20,000	As Incurred	Before Beginning Operations	Third Parties

Computer Equipment/POS System ¹⁰	\$10,000	As Incurred	Before Beginning Operations	Approved Suppliers /Third Parties
Signage ¹¹	\$4,000 - \$6,000	As Incurred	Before Beginning Operations	Approved Suppliers /Third Parties
Security & Monitoring Systems ¹²	\$8,000-\$10,000	As Incurred	Before Beginning Operations	Third Parties
Initial Training ¹³	\$1,000 - \$1,500	As Incurred	Before Beginning Business	Third Parties
Grand Opening ¹⁴	\$5,000	As Incurred	First 3 Months of Operation	Third Parties
Licenses & Permits ¹⁵	\$1,000-\$5,000	As Incurred	Before Beginning Business	Licensing Authorities
Professional Fees ¹⁶	\$2,000 - \$5,000	As Incurred	Before Beginning Business	Attorney, Accountant
Additional Funds ¹⁷ (3 months)	\$11,000 - \$20,000	As Incurred	As Necessary	You Determine
TOTAL^{18 19}	\$346,000-\$823,500			

* All fees and expenses stated in the above table are generally non-refundable.

NOTES

¹ Franchise Fee. The Franchise Fee is described in greater detail in ITEM 5 of this Franchise Disclosure Document.

² Real Estate/Rent. You must provide suitable premises from which to operate the Franchised Unit. You will require approximately 1,000 to 2,500 square feet of commercial retail space. It is extremely difficult to estimate lease acquisition costs because of the wide variation between various locations. Lease costs will vary based upon variance in square footage, cost per square foot and required maintenance costs. We assume a landlord will require the first and last

month's rent and a security deposit equal to at least one month's rent. The amounts paid are typically not refundable except for a security deposit which may be refunded.

³ Utility Deposits. If you are not a current customer of your local utilities, you will generally incur certain deposits with local utilities; for example, electric, telephone, gas, water and others if you are a new customer of the local utilities. The deposit will vary depending upon the policy of the local utility.

⁴ Leasehold Improvements. To convert the premises into a Wok to Walk Unit, the premises must be renovated according to our standards and specifications. The cost of leasehold improvements will vary based upon size, condition and location of the premises, local wage rates and material costs.

⁵ Architectural Plans & Design. You shall establish the Franchised Unit and open it to the public, subject to our prior written approval, on the opening date specified in the Special Terms Annex. The identity of the supervising architect shall be as specified in the Special Terms Annex section 1.4. In addition, you shall hire and be responsible for payment to a local Architect, who we shall approve in advance in writing.

⁶ Furniture Fixtures & Equipment. You will need to equip your Wok to Walk Unit with technologically advanced equipment and other equipment according to our specifications and requirements. The cost of the equipment will vary depending on how much equipment and the type(s) of equipment you purchase. You agree to purchase (or lease) office furniture, fixtures, shelving, equipment and décor necessary to operate the Franchised Unit. The cost of furniture, fixtures and equipment will vary according to local market conditions, the size and location of the Franchised Unit, suppliers and other related factors. Although some of these items may be leased, the range shown represents an estimate of actual purchase price.

⁷ Initial Inventory. You agree to purchase an initial inventory of \$2,000 - \$5,000 and other operating supplies. These costs will vary based upon the size and location of the Franchised Unit, suppliers and other related factors.

⁸ Insurance. Franchisee will obtain "all risk" property insurance coverage on all assets used in the operation of the Franchised Unit and insurance against damage to property through vandalism and malicious mischief and must have coverage limits of at least full replacement cost; workers' compensation insurance that complies with the statutory requirements of the state in which the Franchised Unit is located and employer liability coverage with a minimum limit of ONE HUNDRED THOUSAND DOLLARS (\$100,000.00) or, if higher, the statutory minimum limit as required by state law; comprehensive general liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in conjunction with the operation of the Franchised Unit, or Franchisee's conduct of business pursuant to the Franchise Agreement, with a minimum liability coverage of ONE MILLION DOLLARS

(\$1,000,000.00) per occurrence or, if higher, the statutory minimum limit required by state law; automobile liability insurance for owned or hired vehicles with a combined single limit of at least ONE MILLION DOLLARS (\$1,000,000.00) or, if higher, the statutory minimum limit required by state law; and this insurance as necessary to provide coverage to indemnify franchisor. Factors that may affect your cost of insurance include location of the Franchised Unit, value of leasehold improvements, amount of inventory, number of employees and other related factors.

⁹Office Equipment and Supplies. You must purchase general office supplies including stationery, business cards and typical office equipment. Factors that may affect your cost of office equipment and supplies include local market conditions, the size of the premises, suppliers and other factors.

¹⁰Computer Equipment. You will need to purchase and install computer equipment according to our specifications. You agree to purchase our ~~Wok to Walk's~~ proprietary software from us or from our Approved Suppliers. Our requirements are described in detail in ITEM 11 of this Franchise Disclosure Document.

¹¹ Signage. This range includes the cost of all signage used in the Franchised Unit. The costs will vary based upon the size, interior and exterior layout and location of the Franchised Unit and local wage rates. You agree to purchase specific internal signage from us or from our Approved Suppliers.

¹² Security & Monitoring Systems. You agree to purchase or lease and install a monitoring system according to our standards and specifications. The range of estimates assumes you will lease your monitoring system and will be required to pay a deposit and may be required to make advance lease payments. Costs will vary according to lease terms and depending on the number of lines, cameras, monitors and features you acquire with your system.

¹³Training. You may be charged an additional fee for initial training. You are responsible for transportation, meals and lodging, and employees' salaries while attending training. The total cost will vary depending on the number of people attending, how far you travel and the type of accommodations you choose.

¹⁴ Grand Opening. You agree to spend a minimum of \$5,000 on Grand Opening Advertising during the first 3 months of operation. You may choose to spend more. Factors that may affect your decision on the actual amount to spend include local media cost, location of the Franchised Unit and population demographics in the surrounding area.

¹⁵Licenses & Permits. These amounts will be incurred for costs such as operating licenses and permits. Your actual costs may vary from the estimates based on the requirements of local government agencies.

¹⁶ Professional Fees. You will need to employ an attorney, an accountant and other consultants to assist you in establishing your Franchised Unit. These fees may vary from location to location depending upon the prevailing rate of attorneys', accountants' and consultants' fees.

¹⁷ Additional Funds. These amounts are the minimum recommended levels to cover operating expenses, including employees' salaries for the start-up phase of the Franchised Unit, which we calculate as 3 months.

¹⁸ Total. This total is an estimate of your initial investment and the expenses you will incur during the first 3 months of operations. In compiling this chart, we relied on our and our principals and officers more than 4 years of combined industry experience and experience in establishing and operating Wok to Walk Units which are similar in nature to the Franchised Unit you will operate. The amounts shown are estimates only and may vary for many reasons including the size of your Franchised Unit, the capabilities of your management team, where you locate your Franchised Unit and your business experience and acumen. You should review these estimates carefully with an accountant or other business advisor before making any decision to enter into a Franchise Agreement.

¹⁹ Financing. Neither we nor any affiliate of ours offers direct or indirect financing of all or part of the Initial Investment.

ITEM 8. **RESTRICTIONS ON SOURCES OF PRODUCTS AND** **SERVICES**

Except as indicated below, you are not required to purchase or lease any services or goods relating to the establishment or operation of your Wok to Walk Unit from us, our designees or suppliers that are approved by us or are in accordance with our specifications.

Authorized Products, Services and Suppliers

You must furnish and equip the Franchised Unit according to our standards and specifications. All supplies, signs, equipment and other items used in the operation of the Franchised Unit must comply with our specifications and quality standards and, if we require, must be purchased only from "Approved Suppliers" that we designate. We will provide you, in the Manual or other written or electronic form, a list of specifications for signs, equipment, supplies, inventory and other items or materials and, if required, a list of designated or Approved Suppliers for some or all of these items, which may include us, or other designated suppliers. Periodically we may modify the list. We formulate and modify our specifications and standards for products and services based upon our industry knowledge and our principals and officers' experience in operating food units, similar in nature to the Franchised Unit you will

operate, since 2012. You will not offer for sale, sell or provide through the Franchised Unit or from the Approved Location any products or services that we have not approved.

If we or one of our designated suppliers is an Approved Supplier, you will sign a standard form purchase, lease, supply, or license agreement for the items to be supplied by us or our designated supplier. If you desire to use 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 or samples for us to determine whether the service or product complies with our standards and specifications, or the supplier meets our Approved Supplier criteria. You will bear all reasonable expenses that we incur in connection with our evaluation of a product, service or supplier. We will decide within a reasonable time (usually 30 days) after receiving the required information whether you may purchase or lease this product or service from this supplier. We apply the following general criteria in approving a proposed supplier: ability to provide sufficient quantity of product; quality of products or services at competitive prices; production and delivery capability; and consistency, reliability and general reputation of the supplier. We will notify you if we revoke our approval of any product, service or supplier, and you must immediately stop purchasing disapproved products or services from a disapproved supplier.

We may designate certain products and services, not otherwise authorized for general use as part of the System, to be offered locally or regionally by one or more franchisees based upon such factors as we determine, including franchisee qualifications, test marketing and regional or local differences. We are not presently an Approved Supplier of any products or services and we do not derive revenue as a result of franchisee purchases from Approved Suppliers. None of our officers own any interest in our Approved Suppliers.

We reserve the right to derive revenue as a result of developing and furnishing additional proprietary products and services for use by you and other franchisees or in connection with franchisee purchases from Approved Suppliers.

We have the right to retain volume rebates, markups and other benefits from suppliers or in connection with the furnishing of suppliers. You will have no entitlement to or interest in any of these benefits. We do not have any purchasing or distribution co-operatives as of the date of this Franchise Disclosure Document.

In 2022, we or our affiliates received a total of \$67,000 from the sales or leases of products to franchisees, which amount was approximately 63% of our total revenues of \$107,000 in 2022. In our most current fiscal year ending December 31, 2022, we sold 1 Standard Franchises.

Miscellaneous

We may negotiate group rates, including price terms, for purchases of equipment and supplies from third parties necessary for the operation of the Franchised Unit. Presently, there are no such purchase or supply agreements in effect. We presently do not receive revenue or other material consideration from any third-party suppliers as a result of purchases by you or any other franchisee. We may, however, do so in the future, and these arrangements may result in our deriving revenue based on purchases by franchisees.

We estimate that approximately 25% of your expenditures for leases and purchases in establishing your Franchised Unit and approximately 3% of your expenditures on an ongoing basis will be for goods and services which must be purchased from either us, an Approved Supplier or in accordance with our standards and specifications.

We do not provide or withhold material benefits to you (such as renewal rights or the right to open additional Franchised Units) based on whether or not you purchase through the sources we designate or approve. However, purchases of unapproved products or from unapproved suppliers in violation of the Franchise Agreement will entitle us, among other things, to terminate the Franchise Agreement.

ITEM 9. **FRANCHISEE'S OBLIGATIONS**

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

Obligation		Section in the Franchise Agreement	ITEM in the Franchise Disclosure Document
a.	Site selection and acquisition/lease	Section 5	ITEMS 11 and 12
b.	Pre-opening purchases/leases	Sections 11, 12.5, 13 and 15	ITEMS 7 and 8
c.	Site development and other pre-opening requirements	Sections 5.3 and 5.4	ITEMS 6, 7 and 11
d.	Initial and ongoing training	Section 9	ITEMS 6, 7 and 11
e.	Opening	Sections 9.2 and 11.1	ITEM 11

Obligation		Section in the Franchise Agreement	ITEM in the Franchise Disclosure Document
f.	Fees	Sections 3, 11 and 18	ITEMS 5, 6, 7
g.	Compliance with standards and policies/Operating Manual	Sections 8, 10, 12 and 13	ITEMS 8 and 11
h.	Trademarks and proprietary information	Sections 6 and 7	ITEMS 13 and 14
i.	Restrictions on products/services offered	Sections 5.5 and 13	ITEMS 8 and 16
j.	Warranty and customer service requirements	Section 13.10	ITEM 16
k.	Territorial development and sales quotas	None	ITEM 12
l.	Ongoing product/service purchases	Section 13	ITEMS 8 and 11
m.	Maintenance, appearance and remodeling requirements	Sections 10.2 and 13.4	ITEMS 6 and 17
n.	Insurance	Section 15	ITEMS 6, 7 and 8
o.	Advertising	Section 11	ITEMS 6 and 11
p.	Indemnification	Section 21.2	ITEM 6
q.	Owner's participation/management/staffing	Section 13.6	ITEM 15
r.	Records and reports	Section 12	ITEMS 11 and 17
s.	Inspections and audits	Sections 6.6, 12.6 and 13.5	ITEMS 6, 11 and 13
t.	Transfer	Section 18	ITEMS 6, 17 and 20
u.	Renewal	None	ITEM 17

Obligation		Section in the Franchise Agreement	ITEM in the Franchise Disclosure Document
v.	Post-termination obligations	Section 17	ITEM 17
w.	Non-competition covenants	Sections 7.4, 17.2, 17.3 and 18.2	ITEM 17
x.	Dispute resolution	Section 23	ITEM 17
y.	Other	Not Applicable	Not Applicable

ITEM 10.
FINANCING

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

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

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

A. Pre-Opening Assistance

Before you open your Franchised Unit, we will:

1. if we have not already approved a site for your Franchised Unit that you have selected before signing the Franchise Agreement, we will designate the area within which you will locate the Franchised Unit and provide you with our site selection criteria. We will review and evaluate each site you propose until you locate a suitable site. We will have 30 days following receipt of complete submittal of all the information and materials we request from you to approve or disapprove the proposed site for the Franchised Unit. If we do not disapprove a proposed site by written notice to you within this 30-day period, the site will be deemed approved. If we cannot agree upon a suitable site for the operation of the Franchised Unit within nine (9) months of the Effective Date of the Franchise Agreement, we shall have the right, in our sole discretion, to terminate the Franchise Agreement (Sections 2.3 and 5.1).

2. provide you with standard plans and specifications for the build-out and improvement of the Approved Location, including specifications for exterior and interior design, layout, required fixtures, equipment, furnishings, décor and signs, which you agree to purchase and install (Section 5.3). You will be required to hire a local architect in order to adjust the basic Wok to Walk Unit architectural plan and design scheme to the physical characteristics of the Franchised Unit. We do not provide assistance with constructing, remodeling or decorating the premises; (Section 5.3)

3. provide you with an initial training program of approximately thirty (30) days. This training is described in detail later in this ITEM. Except as otherwise provided in our initial training program, we do not provide assistance with regard to your hiring and training of employees; (Section 9.1)

4. provide you with on-site assistance and guidance for approximately two (2) days, subject (as to timing) to the availability of our personnel who will assist you in beginning operations of the Franchised Unit (Section 9.2);

5. provide you with one copy of our Operations Manual, as more fully described in Section 8.1 of the Franchise Agreement, which shall be loaned to you only for the term of the Franchise Agreement and shall remain the sole property of Franchisor. The Table of Contents of the Operations Manual, along with number of pages devoted to each section, is included as Exhibit D to this Franchise Disclosure Document. The total number of pages in the Operations Manual is 39. (Section 8.1)

6. we do not provide you with any assistance with conforming the premises to local ordinances and building codes, obtaining any required permits, constructing, remodeling, or decorating the premises, or hiring and training employees. We do not generally own the premises or lease the premises to you.

B. Other Assistance During the Operation of the Franchised Unit

After the opening of the Franchised Unit, we will:

1. periodically, in our sole discretion, advise and offer general guidance to you by telephone, electronic mail, facsimile, newsletters and other methods. Our guidance is based on our and our principals and officers' industry experience since 2012. This advice and guidance may consist of knowledge and experience relating to the authorized services or products, as well as operational methods, accounting procedures, and marketing and sales strategies (Section 14.1);

2. at our sole discretion, implement changes or improvements to the Franchised Unit. In the event we require you to implement changes or improvements, you will be required to implement such changes or improvements in a timely manner (Section 14.2);

3. make available to you operations assistance and ongoing training programs as we deem appropriate, however, we have no obligation to do so (Sections 9.2 and 9.5);

4. at our sole discretion, make available to you changes and additions to the System as generally made available to all franchisees, however, we have no obligation to do so (Section 14.3); and

5. approve forms of advertising materials you will use for Grand Opening Advertising, Local Advertising (Section 11).

C. Advertising and Promotion

1. During the first 3 months of operation, you must spend at least \$5,000 on Grand Opening Advertising, including print, media or direct mail advertising, event dues or other solicitation and promotional efforts. We may require you to utilize our Proprietary Advertising and Marketing Materials as part of your Grand Opening Advertising. You must obtain our prior approval of your Grand Opening Advertising materials. Your required expenditures for Grand Opening Advertising are in addition to Local Advertising described below (Section 11.1).

2. Annually, you must spend at least 1% of your annual Gross Sales on advertising, promotions and public relations in the local area surrounding the Franchised Unit (“**Local Advertising**”). You will make these expenditures directly subject to our approval (Section 11.2).

3. We may develop a System-wide Marketing Fund, and if we do, you may be required to contribute up to .5% of your Gross Sales to the fund, at the same rate as the contribution of other franchisees. We will set the exact percentage that you must contribute and we may adjust the percentage periodically up to a maximum of two percent (2%), after providing you with prior written notice. The Marketing Fund Contribution will be made at the same time and in the same manner as the Royalty Fee payments. (Section 11.3) The Marketing Fund shall be maintained and administered by us or our designee as follows:

(a) We will oversee all advertising programs with sole discretion over the creative concepts, materials and media used in these programs and the placement and allocation thereof. The media used may include local or national print, television, radio, Internet or other media. We cannot and do not ensure that any particular franchisee will benefit directly or *pro rata* from the placement of advertising by the Marketing Fund. We are not

obligated to spend any amount on advertising in the geographical area where you are or will be located. (Section 11.3)

(b) Your Marketing Fund Contribution may be used to meet any and all costs of producing, maintaining, administering and directing consumer advertising (including the cost of preparing and conducting television, radio, Internet, magazine and newspaper advertising campaigns and other public relations activities; developing and/or hosting an Internet web page or site and similar activities; employing advertising agencies to assist therein; providing promotional brochures; conducting market research; and providing other marketing materials to franchisees). We initially plan to conduct all advertising in-house, but may use a national or regional advertising agency in the future. All contributions by you to the Marketing Fund will be maintained in a separate account from our funds and will not be used to defray any of our general operating expenses, except for such reasonable administrative costs and overhead, if any, as we may incur in activities reasonably related to the administration of the Marketing Fund. None of the amounts collected or held in the Marketing Fund will be used for the purpose of soliciting new franchisees. (Section 11.3)

(c) Affiliate and franchisor-owned businesses in the United States (if any) operating under the same System and Marks as the Franchised Unit will make similar contributions to the Marketing Fund. (Section 11.3)

(d) We anticipate that all contributions to the Marketing Fund will be expended during our fiscal year within which the contributions are made. All expenditures will be made first out of any interest or other earnings of the Marketing Fund, next out of current contributions. Although we intend the Marketing Fund to be of perpetual duration, we maintain the right to terminate the Marketing Fund. The Marketing Fund will not be terminated, however, until all monies in the Marketing Fund have been expended for advertising and promotional purposes or have been returned to our franchisees on a *pro rata* basis. (Section 11.3)

(e) An accounting of the operation of the Marketing Fund will be prepared annually and will be made available to you upon request. We reserve the right, at our option, to require that this annual accounting include an audit of the operation of the Marketing Fund prepared by an independent certified public accountant selected by us and prepared at the expense of the Marketing Fund. (Section 11.3)

(f) The Marketing Fund is not a trust and we assume no fiduciary duty in administering the Marketing Fund. (Section 11.3)

(g) No amount of the Marketing Fund shall be used to solicit new franchise sales. (Section 11.3.7)

4. You are not obligated to participate in any local or regional advertising cooperative.

5. We have established and maintain an Internet website at the domain name www.woktowalk.com, which provides information about the Wok to Walk System. We may (but are not required to) include on the Wok to Walk website an interior page containing information about your Franchised Unit. If we include this information on the Wok to Walk website, we may require you to prepare all or a portion of the page, at your expense, using a template that we provide. All this information will be subject to our approval before posting. You must obtain our prior written consent before advertising the Franchised Unit or the Franchised System on any Internet site (Section 11.5).

6. There is no advertising council composed of franchisees. (Section 11.4)

D. Computer/Point-of-Sale System

We have the right, under the Franchise Agreement, to require you to purchase and use any and all hardware and computer software programs which we may designate (the “**Computer System**”). The Computer System will generate and store, *inter alia*, all the sales transactions consummated at the Franchised Unit. (Section 12.5)

At present, you are also required to purchase and utilize our Proprietary POS Software license from us or from our Approved Suppliers. The estimated cost of purchasing the Computer System is \$7,000, which includes 1POS unit, printers, installation and 1 year of technical support. (Section 12.5)

You will be required to enter into an ongoing system maintenance and/or technical support agreement. The estimated annual cost of maintenance and support for the Computer System after the first year of using such Computer System is \$3,000, which includes the required software updates.

We have the right to independently access all information collected or compiled by you at any time without first notifying you.

We reserve the right to substitute a different approved supplier for any specified computer hardware or software if circumstances warrant a substitution.

You must update or upgrade computer hardware components and/or software as we deem necessary but not more than one time per year, at your expense, to meet our specifications as they evolve. Upgrades, in some cases, may only be available through our

suppliers. The cost to update or upgrade the hardware or software will range from \$0 to \$1,000 annually.

E. Methods Used to Select the Location of the Franchised Unit

If you have a potential site for the Franchised Unit, you may propose the location for our consideration. We may consent to the site after we have evaluated it. If you do not have a proposed site, we will designate a geographic area within which you must locate the Franchised Unit and we will furnish you with our general site selection criteria. You are solely responsible for locating and obtaining a site that meets our standards and criteria and that is acceptable to us. (Sections 2.3 and 5.1)

The general site selection and evaluation criteria which we consider in approving your site includes the condition of the premises, proximity to urban or suburban areas, required square footage, demographics of surrounding area, proximity to other franchisees, requirements of a lease and overall suitability. We will provide you with written notice of our approval or disapproval of any proposed site within 30 days after receiving all requested information. If you and we cannot agree upon a suitable site for the operation of the Franchised Unit within 9 months from the later of (i) the date of execution of a lease for, or a binding agreement to purchase, the Approved Location; or (ii) the signing of the Franchise Agreement, we will have the right, in our discretion, to terminate the Franchise Agreement (Section 5.1) and you will not receive any refund of the franchise fee.

F. Typical Length of Time Before Operation

The typical length of time between the signing of the Franchise Agreement and the opening of your Franchised Unit is up to 12 months. Factors which may affect your beginning operations include your ability to secure zoning clearance or permits, delays in the delivery of equipment, fixtures, supplies, inventory and other items. You agree to open and be operational within six (6) months from the later of (i) the date of execution of a lease for, or a binding agreement to purchase, the Approved Location; or (ii) the signing of the Franchise Agreement. (Section 5.3)

G. Training

We provide an initial training program as described below to your Designated Manager (which is you, if you are not a corporation or other business entity), your full-time lead chef, your shift supervisor, and up to 2 key personnel. Each of these persons must attend and complete the initial training program before opening your Wok to Walk Unit. Our training program will be conducted on an as-needed basis. The initial training program consists of approximately thirty (30) days of classroom and on-the-job instruction and covers all material aspects of the operation of a Wok to Walk Unit, including equipment operation and maintenance,

Trade Secrets implementation, financial controls, maintenance of quality standards, customer service techniques, record keeping and reporting procedures and other operational issues. The instructional materials that will be provided will mostly be based on our Operation Manual.

You are required to provide us with 60 days prior written notice if any of the above personnel who are required to participate in our initial training program does not have a valid U.S. passport which would not allow such person to have sufficient time to undergo our initial training program.

We do not charge you an additional fee for our initial training program, however, you must pay all expenses you incur to attend training including travel and living expenses and your employees' salaries and benefits. See ITEM 7. If your Designated Manager cannot successfully complete the initial training program, we may terminate your Franchise Agreement. See ITEM 5 regarding any applicable refund of the Franchise Fee. (Sections 3.1 and 9.3)

TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE- JOB TRAINING	LOCATION
<u>Introduction and Orientation</u> - receiving Welcome Kit, learn about foundations of <u>Franchisor's</u> U.S. operations, Wok to Walk customer experience overview and review training schedule.	4 hours	4 hours	Barcelona, Spain or another location that we may designate
<u>Onsite visits</u> - to existing Wok to Walk locations.	16 hours	16 hours	Barcelona, Spain or another location that we may designate
<u>Observational Shift</u> – a shift with the cook.	1 hours	1 hour	Barcelona, Spain or another location that we may designate

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
<u>Review of Wok to Walk Operation Manual and Checklists</u> – learn about the Wok to Walk daily routine, restaurant layout and equipment, kitchen preparation area and sales area, Wok to Walk menu, reports and standard procedures, opening, closing and shifts, store manager responsibilities.	4 hours	4 hours	Barcelona, Spain or another location that we may designate
<u>Suppliers Inventory and POS</u> – review complete list of suppliers, the required shopping list, learn about purchasing and inventory management and introduction to POS System and reporting.	4 hours	4 hours	Barcelona, Spain or another location that we may designate
<u>Marketing Methods and Promotions</u> – the Wok to Walk brand, review the brand book and advertising materials and discuss store opening event.	3 hours	3 hours	Barcelona, Spain or another location that we may designate
<u>Kitchen Area</u> – practice store opening drill, learn about kitchen area responsibilities and training, operating the equipment and change of shifts drill.	8 hours	40 hours	Barcelona, Spain or another location that we may designate
<u>Managing the Kitchen</u> – practice kitchen management, sandwich preparation, dispatch counter management and preparing orders.	8 hours	40 hours	Barcelona, Spain or another location that we may designate
<u>Business Accounting</u> – learn about the banking procedures, producing financial reports and working with the accounting system and hold discussion on cash flow and balance statements.	4 hours	4 hours	Barcelona, Spain or another location that we may designate

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
<u>Recruiting and Staffing</u> – learn about employee selection, labor costs, compensation and benefits and discussion on team building and motivation and communication.	1 hour	0 hours	Barcelona, Spain or another location that we may designate
<u>The Sales Area I</u> – learn about the cashier’s role and responsibilities, expediter’s roles and responsibilities, review the menu, practice the POS and customer service methods and understand the customer experience.	1 hour	8 hours	Barcelona, Spain or another location that we may designate
<u>The Sales Area II</u> – working a full night shift with the shift manager.	1 hour	8 hours	Barcelona, Spain or another location that we may designate
<u>Store Closing</u> - learning store closing tasks and procedures and cleaning duties and maintenance.	1 hour	4 hours	Barcelona, Spain or another location that we may designate
<u>Managing Responsibilities I</u> – spend the day with the Store Manager and review responsibilities, including: work schedule, supply, staff management, checklists, inventory control, reports and other such responsibilities.	15 hours	16 hours	Barcelona, Spain or another location that we may designate

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
<u>Managing Responsibilities II</u> – spend the day with the Store Manager mastering the daily managing tasks, such as: bank deposits, contracts and payments to suppliers, accounting work, store maintenance, recruitment, shift scheduling and salaries. Learn about forms and checklists, the health inspection process and the restaurant safety plan.	4 hours	4 hours	Barcelona, Spain or another location that we may designate
<u>Real Estate and Store Construction</u> – building a Walk store, including construction, design and project management, finding a store location, negotiating the lease and permits and reviewing the architecture section in the Franchise Kit.	3 hours	24 hours	Barcelona, Spain or another location that we may designate
<u>Final Review</u> – summary of the training process, including questions and feedback, and discussion on future plans and product innovation.	3 hours	3 hours	Barcelona, Spain or another location that we may designate
TOTAL	81 hours	183 hours	

Rami Lev, Yorgos Amorginos and Eloy Aragones will provide training along with any other persons designated by the Company. Rami Lev has experience in each subject taught both in the field and with Wok to Walk since 2007. Yorgos Amorginos has experience in each subject taught both in the field and with Wok to Walk since 2012. Eloy Aragones has experience in each subject taught both in the field and with Wok to Walk since 2013.

Rami Lev – Since January, 2007, Mr. Lev has been the Franchise Sales Director of Wok to Walk Franchise BV.

Yorgos Amorginos – Since January, 2012, Mr. Amorginos has been employed as the Operations Manager of Wok to Walk International SL (“WTWI”), overseeing the Wok to Walk franchise businesses owned and operated by WTWI. In 2011, Mr. Amorginos was employed as a store manager and training center coordinator for Wok to Walk Barcelona.

Eloy Aragones – Since August, 2018, Mr. Aragones has been employed as the Operations Coordinator of WTWI. From October, 2009 through August, 2018, Mr. Aragones was employed as Restaurant Area Manager at Viena Restaurant.

We may change or substitute training personnel as necessary, and we may delegate our duties and share our responsibilities with regard to training. In the event we change or substitute training personnel, or delegate our duties or share our responsibilities with regard to training, then the substituted personnel will have no less than one year of experience in the subject taught both in the field and with Wok to Walk. The instructional materials that will be utilized will be based on our Operation Manual. The minimum experience of the instructors in the field that is relevant to the subject taught and our operations is from 2 to 10 years.

Our initial training program is in addition to 5 days of on-site assistance we provide around the time you are beginning your operations.

We may also periodically provide, and require your Designated Manager, shift supervisor, and full time lead chef to attend, refresher or supplemental training programs or seminars. We will provide such ongoing training as necessary or requested by you. We may charge attendance fees for these programs in an amount agreed to in advance by you and us. You will be responsible for your persons’ salaries and other expenses, such as travel, and room and board expenses. (Section 9.5).

Proprietary Products

We own trade secrets and know-how for innovative products for Wok to Walk Units (“**Proprietary Trade Secret Products**”). You obtain access to the Proprietary Trade Secret Products at no additional charge once you sign the Franchise Agreement. You and other franchisees are required to install and utilize our Proprietary Trade Secret Products in accordance with our usage policy. There is no alternative software or source for the Proprietary Trade Secret Products. We do not derive any revenue as a result of furnishing you and other franchisees with access to the Proprietary Trade Secret Products. In 2022, we or our affiliates received a total of \$67,000 from the sales or leases of products to franchisees, which amount was approximately 63% of our total revenues of \$107,000 in 2022. In our most current fiscal year ending December 31, 2022, we sold 1 Standard Franchises.

Proprietary Advertising and Marketing Materials

We will furnish you and other franchisees with an assortment of Proprietary Advertising and Marketing Materials which you and other franchisees will use to promote and advertise the services of Wok to Walk Units. We will specify our usage policy for Proprietary Advertising and Marketing Materials in our advertising guidelines and our Manual. You may be required to use Proprietary Advertising and Marketing Materials to promote the opening of your Franchised Unit (“**Grand Opening Advertising**”) and as part of your Local Advertising. See ITEM 11 for further information about our Wok to Walk advertising programs. To date in 2022, we have not derived revenue from Proprietary Advertising and Marketing Materials.

ITEM 12. **TERRITORY**

You will not receive an exclusive territory from us. You may face competition from other franchisees, other units that we own, or from other channels of distribution or competitive brands that we control. You must operate the Franchised Unit only from the Approved Location listed in Section 2.2 of the Franchise Agreement. If the Approved Location has not already been determined, you and we will agree to a Designated Area within which you will locate the Franchised Unit. A Designated Area means the area within which you are required to locate the Franchised Unit as defined or described in Section 2.3 of the Franchise Agreement. A Designated Area is delineated for the sole purpose of site selection and does not confer any territorial exclusivity or protection upon you. Although we may assist you in selecting a location, you are solely responsible for selecting the Approved Location and negotiating lease or purchase terms if the site is to be leased or purchased. You will operate your Franchised Unit only from the Approved Location and you must receive our permission before relocating. You are only licensed to operate one Franchised Unit and you may not establish any additional franchised units. You are also responsible for making any necessary improvements to the Approved Location.

To this end, we retain our right, in our sole discretion, to: (a) establish, and license others to establish, Wok to Walk Units under the System and Marks at any location as we deem appropriate; (b) establish, and license others to establish, other businesses under other systems using other proprietary marks at such locations and on such terms and conditions as we deem appropriate; (c) sell the products and services authorized for the Franchised Unit, including licenses for our Proprietary Software, through alternate channels of distribution, such as joint marketing with partner companies, direct mail, licensing programs, Internet and catalogue sales both under the terms and conditions as we deem appropriate; and (d) engage in any activity not expressly forbidden by the Franchise Agreement. The Franchise Agreement does not require that we pay you any compensation in the event we solicit or accept orders for products or services, regardless of the proximity to your Franchised Unit.

Pursuant to the Franchise Agreement you shall be restricted from establishing, creating or operating an independent Internet site or website using a domain name or uniform resource locator

containing the word “Wok to Walk” or any variation thereof. We retain the sole right to advertise on the Internet and create websites using the “Wok to Walk” name and any other domain name(s) designated by us in the Manual.

You may offer and sell products only from the Approved Location, only according to the requirements of the Franchise Agreement and the procedures set forth in the Manual and only to retail customers for consumption on the Franchised Unit’s premises or for personal, carry-out consumption. The Franchise Agreement contains no restrictions prohibiting you from soliciting or accepting orders from consumers, regardless of the proximity to your Franchised Unit.

We and our affiliates have not established and do not intend to establish any other franchises or company-owned outlets offering similar services or goods under a different trademark anywhere in the United States.

You do not have the right to acquire additional franchises via right of first refusal, option or otherwise, although you may apply for the right to operate additional Franchised Businesses pursuant to separate franchise agreements.

ITEM 13.
TRADEMARKS

Under the Franchise Agreement, we grant you the right to operate the Franchised Unit under the name “Wok to Walk.” You may also use any other current or future Mark to operate your Franchised Unit that we designate in writing including the logo on the front of this Franchise Disclosure Document. By Mark, we mean trade names, trademarks, service marks and logos used to identify your Franchised Unit. As of the date of this Franchise Disclosure Document, we have filed all required affidavits with, and registered the following Marks in, the United States Patent and Trademark Office on the Principal Register.

MARKS	DESCRIPTION	REGISTRATION NUMBER	REGISTRATION DATE
Wok to Walk (Design)	Design plus words	5063406	October 18, 2016
Wok to Walk	Word Mark	3227152	April 10, 2007 (First Renewal effective January 11, 2017)

There are no other agreements currently in effect which significantly limit our rights to use or license the use of the Marks in any manner material to the franchise.

There are currently no effective material determinations of the United States Patent and Trademark Office, trademark trial and appeal board, the trademark administrator of this state or any court; pending infringement, opposition or cancellation; or pending material litigation involving any of the Marks.

There are no infringing or prior superior uses actually known to us that could materially affect the use of the Marks in this state or any other state in which the Wok to Walk Unit is to be located.

Your right to use the Marks is derived solely from the Franchise Agreement. You will not receive any rights to the Marks other than the nonexclusive right to use them in the operation of your Franchised Unit. You may only use the Marks in accordance with our standards, operating procedures and specifications. Any unauthorized use of the Marks by you is a breach of the Franchise Agreement and an infringement on our rights in the Marks. Once you sign the Franchise Agreement, you may not contest the validity or the ownership of any of the Marks. You may not assist any other person in contesting the validity or ownership of the Marks at any time.

You must immediately notify us of any apparent infringement of, or challenge to your use of any Mark, or claim by any person of any rights in any Marks, and you may not communicate with any person other than us and our counsel regarding any infringements, challenges or claims, unless you are legally required to do so, however, you may communicate with your own counsel at your own expense. We may take whatever action we deem appropriate in these situations; we have exclusive control over settlements, litigation or Patent and Trademark Office or any other proceeding arising out of any alleged infringement, challenge or claim or otherwise concerning any Mark. You must take any actions, in the opinion of our counsel, which may be necessary or advisable to protect and maintain our interests in any litigation or other proceeding or to otherwise protect and maintain our interests in the Marks.

We can require you to modify or discontinue use of any Mark and/or use one or more additional or substitute trademarks or service marks. We are not required to reimburse you for your expenses in modifying or discontinuing the use of a Mark or to substitute a trademark or service mark for a discontinued Mark. We are not required to reimburse you for any loss of goodwill associated with any modified or discontinued Mark.

We are not obligated to, and make no promises, express or implied, obligating us to reimburse you for any—of your expenses incurred in any legal proceeding disputing your authorized use of any Mark.

You must use the Marks as the sole trade identification of the Franchised Unit. However, you may not use any Mark, or part of any Mark, as part of any corporate name in any modified form. You may not use any Mark in connection with the sale of any unauthorized product or service, or in any other manner which we do not authorize in writing. You must give notices of trademark and service mark registrations as we specify and obtain such fictitious or assumed name registrations as may be required under applicable law. You must not register or seek to register as a trademark or service mark, either with the United States Patent and Trademark Office or any state or foreign country, any of the Marks or a trademark or service mark that is confusingly similar to any Mark we license to you.

You may not establish or operate an Internet site or website using any domain name containing any of the Marks or any variation of the Marks without our written consent. We retain the sole right to advertise using the Marks on the Internet and create a website using the Marks in the domain name and to use any other domain names we may designate in the Manual. We are the sole owner of all right, title and interest in and to these domain names as we designate in the Manual.

ITEM 14. **PATENTS, COPYRIGHTS AND PROPRIETARY** **INFORMATION**

No patents are material to the franchise. We own certain copyrights in the Manual, Proprietary Marketing and Advertising Materials and other copyrightable items which are part of the System. While we claim copyrights in these and similar items, we have not registered these copyrights with the United States Registrar of Copyrights and need not do so to protect them. You may use these items only as we specify while operating your Franchised Unit and you must stop using them if we direct you to do so.

There are currently no effective determinations of the Copyright Office (Library of Congress) or any court regarding the copyrighted materials. Our right to use or license copyrighted items is not materially limited by any agreement or known infringing use.

You must immediately notify us in writing of any apparent infringement of, or challenge to your use of any patented or copyrighted items, or claim by any person of any rights in any patented or copyrighted items, and you may not communicate with any person other than us and our counsel regarding any infringements, challenges or claims, unless you are legally required to do so, however, you may communicate with your own counsel at your own expense. We may take whatever action we deem appropriate in these situations; we have exclusive control over settlements, litigation or U.S. Patent and Trademark Office Actions or any other proceeding arising out of any alleged infringement, challenge or claim or otherwise concerning any patented or copyrighted items. You must take any actions, in the opinion of our counsel, which may be

necessary or advisable to protect and maintain our interests in any litigation or other proceeding or to otherwise protect and maintain our interests in the patented or copyrighted items.

We can require you to modify or discontinue use of any patented or copyrighted items and/or use one or more additional or substitute patented or copyrighted items. We are not required to reimburse you for your expenses in modifying or discontinuing the use of a patented or copyrighted item or to substitute a patent or copyright for a discontinued patented or copyrighted item. We are not required to reimburse you for any loss of goodwill associated with any modified or discontinued patented or copyrighted items.

We will reimburse you for all of your expenses reasonably incurred in any legal proceeding disputing your authorized use of any patented or copyrighted items, but only if you notify us of the proceeding in a timely manner and you have complied with our directions with regard to such proceeding. We have the right to control the defense and settlement of any such proceeding. Our reimbursement does not include your expenses incurred in removing signage or discontinuing your use of any patented or copyrighted items. Our reimbursement also does not apply to any disputes between you and us where we challenge your use of a patented or copyrighted items. Our reimbursement does not apply to legal fees you incur in seeking separate, independent legal counsel.

We have developed certain Confidential Information, including Brand Rights, trade secrets, methods of business management, marketing and advertising techniques, and know-how, knowledge of, and experience in, operating a Wok to Walk Unit. We will disclose Confidential Information to you in the training program, the Manual and as a result of the assistance we furnish you during the term of the franchise. You will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the Franchised Unit during the term of the Franchise Agreement, and you acknowledge that the use or duplication of the Confidential Information in any other business venture would constitute an unfair method of competition.

Your confidentiality obligations shall apply for five years from the date of termination of the Franchise Agreement, or so long as we keep such confidential information confidential, whichever period is longer.

You may only divulge Confidential Information to employees who must have access to it to operate the Franchised Unit. You are responsible for enforcing the confidentiality provisions as to your employees.

Certain individuals having access to Confidential Information, including your owners and your owners' spouses, officers, directors, managers and professional staff may be required to sign nondisclosure and non-competition agreements in a form we approve.

All ideas, concepts, techniques, formulas, methods and techniques concerning the Franchised Unit, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed our sole and exclusive property. We may or may not choose to incorporate these developments into our System and may or may not disclose them to other franchisees, in our sole discretion. We are not obligated to disclose to you developments by other franchisees which we incorporate into our System. You must assist us in obtaining intellectual property rights in any concept or development if we request your assistance.

ITEM 15.
OBLIGATION TO PARTICIPATE IN THE ACTUAL
OPERATION OF THE WOK TO WALK UNIT

If you are an individual, you must directly supervise the franchised business on its premises. We recommend, but do not require, that you or one of your Owners (if you are a corporate entity) actively participate in the operation of your Franchised Unit. If you or one of your Owners will not be involved in the day-to-day operation of your Franchised Unit, then your Franchised Unit shall at all times be under the direct full-time supervision of a Designated Manager. Direct full-time supervision means every hour that the Franchised Unit is open for business. The Designated Manager need not have an ownership interest in the Franchised Unit. Your Designated Manager must be approved by us and your Designated Manager, your lead chef, your shift supervisor, and up to two (2) key personnel must attend and satisfactorily complete our initial training program before your opening the Franchised Unit. You will keep us informed, in writing at all times, of the identity of your Designated Manager. If you replace a Designated Manager for any reason, he or she must satisfactorily complete our training program. Key personnel are those employees that the Owner and Designate Manager determine are essential to the operation of the Franchised Unit.

As described in ITEM 14, the Designated Manager, and all officers, directors, management and professional staff, and other individuals having access to Confidential Information may be required to sign nondisclosure and non-competition agreements. We will be a third-party beneficiary with the right to enforce covenants contained in such agreements.

Each individual who owns a 5% or greater interest in the Franchised Unit, and such person's spouse, must personally guarantee the performance of all of your obligations under the Franchise Agreement and agree to be personally bound by, and liable for the breach of, every provision of the Franchise Agreement. This Guaranty and Assumption of Obligations is attached as Exhibit A to the Franchise Agreement.

ITEM 16.
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must use the Approved Location solely for the operation of the Franchised Unit; must keep the Franchised Unit open and in normal operation as specified in the Manual; must refrain from using or permitting the use of the Approved Location for any other purpose or activity at any time without first obtaining our written consent; and must operate the Franchised Unit in strict conformity with the methods, standards and specifications in the Manual and as we may require otherwise in writing.

You must offer for sale at the Franchised Unit all authorized products and services, as specified in the Manual or as designated in writing by us periodically, or that we have expressly approved. You may not offer or make available at or from or through the Franchised Unit, any unauthorized services or products without our prior written consent. You must discontinue offering any services or products that we may disapprove in writing at any time. We may periodically change required or authorized products and services. There are no limits on our right to do so.

We may designate certain products not otherwise authorized for general use as a part of the System to be offered locally or regionally based upon those factors as we determine, including your qualifications, test marketing, and regional or local differences. Furthermore, we may, in our sole discretion periodically, give our consent to one or more franchisees to provide certain products, not authorized for general use as part of the System, based upon the foregoing factors. Such consent, with respect to any other franchisee, will not create any rights for you to provide the same products.

You must operate the Franchised Unit in strict conformity with all applicable federal, state and local laws, ordinances and regulations. These laws, ordinances and regulations vary from jurisdiction to jurisdiction and are amendable and may be implemented or interpreted in different manners over time.

You must maintain the Franchised Unit, including the equipment, in “like new” condition and repair or replace damaged, worn out, unsafe or obsolete equipment, computer hardware and software, fixtures, signs and like items at the Franchised Unit as necessary to maintain uniformity with our current standards and specifications.

We do not restrict the clients to whom you provide your services (see ITEM 12).

ITEM 17.
RENEWAL, TERMINATION, TRANSFER AND 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 the Franchise Agreement	Summary
a.	Length of the franchise term	Section 4.1	The initial term is 10 years.
b.	Renewal or extension of the term	None	
c.	Requirements for Franchisee to renew or extend	None	We do not grant you any rights to renew or extend your franchise agreement. In the event you wish to continue to operate a franchised business after expiration of the initial term, you must execute a new, then-current franchise agreement and pay all fees due thereunder. Our then-current agreement may contain materially different terms and conditions from your original franchise agreement.
d.	Termination by Franchisee	None	
e.	Termination by Franchisor without cause	None	
f.	Termination by Franchisor with cause	Section 16.2	We may terminate the Franchise Agreement only if you default.
g.	“Cause” defined- defaults which can be	Section 16.2.2	You generally have 30 days to cure all defaults, except for

Provision		Section in the Franchise Agreement	Summary
	cured		defaults included in (h) below.
h.	“Cause” defined- defaults which cannot be cured	Section 16.2.1	Noncurable defaults. We have the right to terminate the Franchise Agreement without giving you an opportunity to cure if you: fail to establish and equip the Franchised Unit; fail to satisfactorily complete training; make a material misrepresentation or omission in the application for the franchise; are convicted of or plead no contest to a felony or other crime or offense that is likely to adversely affect the reputation of us, you or the Franchised Unit; make any unauthorized use, disclosure or duplication of any portion of the Manual or Confidential Information; abandon the Franchised Unit for 5 or more consecutive days; surrender or transfer control of the operation of the Franchised Unit in an unauthorized manner; or attempt to make an unauthorized direct or indirect assignment of the franchise or an ownership interest in you; submit reports to us on 2 or more occasions understating any amounts owed to us; are adjudicated as bankrupt, become insolvent, commit any affirmative act of insolvency or file any action or petition of

Provision		Section in the Franchise Agreement	Summary
			insolvency; fail to satisfy a final judgment against the Franchised Unit within 30 days or longer; a suit to foreclose against the Approved Location or your business property is instituted; misuse of the Marks; fail on 2 or more occasions within any 12 month period to submit reports or pay any fees owed to us; continue to violate any health or safety laws; you default under any other agreement between us and you.
i.	Franchisee's obligations on termination/nonrenewal	Section 17	If the Franchise Agreement is terminated, you must: stop operating the Franchised Unit; stop using any Confidential Information, the System, the Proprietary Software and the Marks; assign your interest in the Approved Location to us if requested by us; cancel or assign to us any assumed names; pay all sums owed to us, including damages and costs incurred in enforcing the termination provisions of the Franchise Agreement; return the Manual and all other Confidential Information; assign your telephone and facsimile numbers to us; comply with the covenants not to compete and any other surviving provisions of the Franchise Agreement.

Provision		Section in the Franchise Agreement	Summary
j.	Assignment of contract by Franchisor	Section 18.1	There are no restrictions on our right to assign or transfer.
k.	“Transfer” by Franchisee -definition	Section 18.2	Includes transfer of ownership in the franchise, interest in franchisee entity or sale of assets.
l.	Franchisor’s approval of transfer by Franchisee	Section 18.2	Approval is required for all transfers.
m	Conditions for Franchisor’s approval of transfer	Sections 18.2	We will consent to a transfer if: we have not exercised our right of first refusal; all obligations owed to us and other outstanding obligations of the Franchised Unit are paid; you and the transferee have signed a general release in a form satisfactory to us; the prospective transferee meets our business and financial standards; the transferee and all persons owning any interest in the transferee sign the then current Franchise Agreement; you provide us with a copy of all contracts and agreements related to the transfer; you or the transferee pay a transfer fee of \$7,500; the transferee or the owners of transferee have agreed to be personally bound by all provisions of the Franchise Agreement; if requested by us, you have agreed to guarantee

Provision		Section in the Franchise Agreement	Summary
			performance by the transferee; the transferee has obtained all necessary consents and approvals of third parties; you or all of your equity owners have signed a non-disclosure and non-competition agreement in a form satisfactory to us; and transferee agrees that before assuming management of the operation of the Franchised Unit, the transferee's Designated Manager will complete the initial training program.
n.	Franchisor's right of first refusal to acquire Franchisee's Franchised Unit	Section 19.2	We may match an offer for your Franchised Unit or an ownership interest you propose to sell.
o	Franchisor's option to purchase business assets of Franchisee's Franchised Unit	Section 17.4	We may purchase certain assets of your Franchised Unit after termination or expiration of the franchise.
p.	Franchisee's death or disability	Section 18.6	If you (or one of you owners) die or become incapacitated, your representative must transfer, subject to the terms of the Franchise Agreement, your interest in the Franchised Unit within 180 days of death or incapacity or we may terminate the Franchise Agreement.
q.	Non-competition covenants during the	Section 7.4	You, your owners (and members of your families and

Provision		Section in the Franchise Agreement	Summary
	term of the franchise		households) and your officers, directors, executives managers or professional staff are prohibited from: attempting to divert any business or clients of the Franchised Unit to a Competitive Business or causing injury or prejudice to the Marks or the System; owning or working for a Competitive Business.
r.	Non-competition covenants after the franchise is terminated or expires	Sections 17.2.2 and 17.2.3	For 2 years after the termination or expiration of the Franchise Agreement, you, your owners (and members of your families and households) and your officers, directors, executives managers or professional staff are prohibited from: owning or working for a Competitive Business operating within 5 miles of the Approved Location or within 5 miles of any other Wok to Walk Unit; or soliciting or influencing any of our employees or business associates to compete with us or terminate their relationship with us.
s.	Modification of the Franchise Agreement	Section 22.7	The Franchise Agreement can be modified only by written agreement between you and us.
t.	Integration/merger clause	Section 22.7	Only the terms of the Franchise Agreement are binding (subject

Provision		Section in the Franchise Agreement	Summary
			to state law); but this provision will not act, or be interpreted, as a disclaimer of any representations made in this disclosure document. Any representations or promises outside of the Franchise Disclosure Document and other agreements may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Section 23.1	None. All disputes must be litigated in New York, New York, unless your state law prohibits.
v.	Choice of forum	Section 23.2	Any litigation must be pursued in courts located in the state of New York, unless your state law prohibits, and except as provided in a state specific addendum (subject to applicable state law).
w.	Choice of law	Section 23.1	Delaware law applies, subject to your state law, except that disputes regarding the Marks will be governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sec. 1051 et seq.), and except as provided in a state specific addendum.

ITEM 18.
PUBLIC FIGURES

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

ITEM 19.
FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of the 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 Mr. David Rojas, 6 West Railroad Ave., Second Floor, Tenafly, New Jersey 07670, telephone number 646-722-8191, the Federal Trade Commission and the appropriate regulatory agencies.

ITEM 20.
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
SYSTEMWIDE OUTLET SUMMARY FOR YEARS 2020 - 2022

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2020	0	0	0
	2021	0	2	+2
	2022	2	3	+1
Company-Owned	2020	3	3	0
	2021	3	3	0
	2022	3	3	0
Total Outlets	2020	3	3	0
	2021	3	5	+2
	2022	5	6	+1

Table No. 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR) FOR YEARS 2020 - 2022

State	Year	Number of Transfers
All States	2020	0
	2021	0
	2022	0
Total	2020	0
	2021	0
	2022	0

Table No. 3
STATUS OF FRANCHISED OUTLETS FOR YEARS 2020 - 2022

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of Year
Florida	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	0	1	0	0	0	0	2
New York	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	0	0	0	0	0	0	1
Total	2020	0	0	0	0	0	0	0
	2021	0	2	0	0	0	0	2
	2022	0	1	0	0	0	0	3

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

Table No. 4
STATUS OF COMPANY-OWNED OUTLETS
FOR YEARS 2020 - 2022

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
New York	2020	3	0	0	0	0	3
	2021	3	0	0	0	0	3
	2022	3	0	0	0	0	3
Total	2020	3	0	0	0	0	3
	2021	3	0	0	0	0	3
	2022	3	0	0	0	0	3

Table No. 5
PROJECTED OPENINGS DURING THE UPCOMING
YEAR ENDING DECEMBER 31, 2023

STATE	FRANCHISE AGREEMENTS SIGNED BUT UNIT NOT OPEN	PROJECTED NEW FRANCHISED UNITS IN 2023	PROJECTED COMPANY- OWNED OPENINGS IN 2023
Florida	0	0	0
Nevada	0	1	0
New York	0	0	0
All	0	1	0

During the last three (3) fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

A list of the names of all franchisees and the addresses and telephone numbers of their businesses will be provided in Exhibit F to this Disclosure Document when applicable.

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee who had a business terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the applicable agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this disclosure document will be listed on Exhibit F to this Disclosure Document when applicable. **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

There are no trademark-specific organizations formed by our franchisees that are associated with our franchise system.

ITEM 21. **FINANCIAL STATEMENTS**

Attached as Exhibit E is our audited financial statements for the periods ending December 31, 2022, December 31, 2021 and December 31, 2020, as well as unaudited financial statements for the period January 1, 2023 through February 28, 2023. Our fiscal year end is December 31.

ITEM 22. **CONTRACTS**

The Wok to Walk Franchise Agreement (with exhibits) is attached to this Franchise Disclosure Document as Exhibit C.

The Wok to Walk Guaranty and Assumption of Obligations is attached to the Franchise Agreement as Exhibit A.

Apart from the State-specific Addenda to the Franchise Agreement, we provide no other contracts or agreements requiring your signature.

ITEM 23.
RECEIPT

Our and your copies of the Franchise Disclosure Document Receipt are located on the last 2 pages of this Franchise Disclosure Document.

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EXHIBIT A TO THE FRANCHISE DISCLOSURE DOCUMENT

WTW US FRANCHISE SYSTEMS LLC

LIST OF STATE ADMINISTRATORS

LIST OF STATE ADMINISTRATORS

The following is a list of state administrators responsible for registration and review of franchises. We may register in one or more of these states.

California

California Department of Financial Protection
and Innovation
320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344
Telephone (866) 275-2677
www.dfpi.ca.gov
Ask.dfpi@dfpi.ca.gov

Connecticut

Connecticut Banking Commissioner
Department of Banking
Securities & Business Investments Division
260 Constitution Plaza
Hartford, Connecticut 06103

Hawaii

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

Illinois

Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706

Indiana

Indiana Secretary of State
Securities Division
302 West Washington Street, Room E-111
Indianapolis, Indiana 46204

Maryland

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

Michigan

Department of the Attorney General
Consumer Protection Division, Franchise Unit
525 Ottawa Street
G. Mennen Williams Building, 6th Floor
Lansing, Michigan 48909

Minnesota

Minnesota Department of Commerce
85 7th Place East, Suite 500
St. Paul, Minnesota 55101

New York

New York State Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, New York 10005
212-416-8222

North Dakota

North Dakota Securities Department
State Capitol – 5th Floor
600 East Boulevard
Bismarck, North Dakota 58505

Oregon

Secretary of State, Corporation Division
255 Capitol Street Northeast
Salem, Oregon 97310

Rhode Island

Division of Securities, Suite 232
233 Richmond Street
Providence, Rhode Island 02903

South Dakota

Department of Revenue and Regulation
Division of Securities
445 East Capitol Avenue
Pierre, South Dakota 57501

Virginia

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

Washington

Department of Financial Institutions
Securities Division
150 Israel Road SW
Tumwater, Washington 98501

Wisconsin

Division of Securities

Department of Financial Institutions

345 West Washington Avenue

Madison, Wisconsin 53703

EXHIBIT B TO THE FRANCHISE DISCLOSURE DOCUMENT

WTW US FRANCHISE SYSTEMS LLC

LIST OF STATE AGENTS FOR SERVICE OF PROCESS

LIST OF STATE AGENTS FOR SERVICE OF PROCESS

The following state agencies are designated as our agent for service of process in accordance with the applicable state laws. We may register in one or more of these states.

California

California Commissioner of Financial Protection
and Innovation
320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344
Telephone (213) 576-7500
www.dfpi.ca.gov
Ask.dfpi@dfpi.ca.gov

Connecticut

Connecticut Banking Commissioner
Department of Banking
Securities & Business Investments Division
260 Constitution Plaza
Hartford, Connecticut 06103

Hawaii

Director of Commerce and Consumer Affairs
Business Registration Division
335 Merchant Street
Honolulu, Hawaii 96813

Illinois

Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706

Indiana

Indiana Secretary of State
Securities Division
302 West Washington Street, Room E-111
Indianapolis, Indiana 46204

Maryland

Maryland Securities Commissioner
Office of Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202

Michigan

Michigan Department of Commerce
Corporations and Securities Bureau
P.O. Box 30054
6546 Mercantile Way
Lansing, Michigan 48909

Minnesota

Minnesota Department of Commerce

85 7th Place East, Suite 500
St. Paul, Minnesota 55101

New York

Secretary of State
99 Washington Avenue
Albany, New York 12231

North Dakota

North Dakota Securities Department
State Capitol – 5th Floor
600 East Boulevard
Bismarck, North Dakota 58505

Oregon

Secretary of State
Corporation Division
255 Capitol Street Northeast
Suite 157
Salem, Oregon 97310

Rhode Island

Division of Securities
Suite 232
233 Richmond Street
Providence, Rhode Island 02903

South Dakota

Department of Revenue and Regulation
Division of Securities
445 East Capitol Avenue
Pierre, South Dakota 57501

Virginia

Clerk, State Corporation Commission
Tyler Building, 1st Floor
1300 East Main Street
Richmond, Virginia 23219

Washington

Director, Department of Financial Institutions
Securities Division
150 Israel Road SW
Tumwater, Washington 98501

Wisconsin

Commissioner of Securities
345 West Washington Street, 4th Floor
Madison, Wisconsin 53703

EXHIBIT C TO THE FRANCHISE DISCLOSURE DOCUMENT

WTW US FRANCHISE SYSTEMS LLC

FRANCHISE AGREEMENT

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EXHIBITS

- A. GUARANTY AND ASSUMPTION OF OBLIGATIONS
- B. HOLDERS OF LEGAL OR BENEFICIAL INTEREST IN FRANCHISEE;
OFFICERS, DIRECTORS

WTW US FRANCHISE SYSTEMS LLC

FRANCHISE AGREEMENT

This Franchise Agreement, made this ___ day of _____, 20___, by and between **WTW US FRANCHISE SYSTEMS LLC**, a Delaware limited liability company having its principal place of business at 6 West Railroad Ave., Second Floor, Tenafly, New Jersey 07670 (“**Franchisor**”, “we”, “us” and “our”), and _____, with its principal place of business at _____ (“**You**” or “**Franchisee**”).

WITNESSETH:

WHEREAS, Franchisor has developed and is in the process of further developing a System identified by the service mark “Wok to Walk” and related to the establishment, development and operation of quick service restaurants, the Wok to Walk Units, which utilize proprietary ingredients to provide innovative food products to the general public; and

WHEREAS, the distinguishing characteristics of the System include, among other things, uniform standards and procedures for business operations and management, procedures and strategies for marketing, advertising and promotions, distinctive interior office décor and design, signage and equipment, unique and proprietary food products , the Marks, the Manual, uniform standards, specifications, procedures and techniques for using the proprietary food products , accounting, billing, collections and customer management, all of which are designed to enhance the business and managerial aspects of a Wok to Walk Unit; and

WHEREAS, Franchisor grants to certain qualified persons the right to own and operate a single Wok to Walk Unit under the System and using the Marks; and

WHEREAS, Franchisee desires to operate a Wok to Walk Unit, has applied for a Franchise and such application has been approved by Franchisor in reliance upon all of the representations made therein; and

WHEREAS, Franchisee understands and acknowledges the importance of Franchisor’s high and uniform standards of quality, operations and service and the necessity of operating the Franchised Unit in strict conformity with Franchisor’s System.

NOW, THEREFORE, Franchisor and Franchisee, intending to be legally bound, agree as follows:

1. **DEFINITIONS**

Whenever used in this Agreement, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the respective meanings ascribed to them as follows:

“Affiliate” means any entity that controls, is controlled by, or is under common control with Franchisor;

“Agreement” means this agreement entitled “WTW US FRANCHISE SYSTEMS LLC Franchise Agreement” and all instruments supplemental hereto or in amendment or confirmation hereof;

“Approved Location” means the site for the operation of the Wok to Walk Franchised Unit selected by Franchisee and approved in writing by Franchisor;

“Approved Supplier(s)” has the meaning given to such term in Section 13.1 hereof;

“Brand Rights” - the registered and unregistered intellectual property rights (including copyright, designs and trade marks) in the Brand Name, the Manual, the Chain’s restaurants design and conception, and brand items or products and the Menu, including the business perception of Wok to Walk, the goodwill and business know-how that have been and shall be developed or acquired by the Franchisor ~~Wok to Walk~~ or which Wok to Walk is or will be licensed to use, in regards to the operation and management of the Chain and its restaurant. For the avoidance of doubt, the Brand Rights also include any other Wok to Walk intellectual property rights or other intellectual rights to which Wok to Walk is licensed;

“Competitive Business” means any business which offers (or grants franchises or licenses to others to operate a business that offers) food services or related products and services or any services or products which are the same as or similar to those provided by Wok to Walk Units or in which Confidential Information could be used to the disadvantage of Franchisor or its other franchisees; provided, however, that the term “Competitive Business” shall not apply to (a) any business operated by Franchisee under a Franchise Agreement with Franchisor, or (b) any business operated by a publicly held entity in which Franchisee owns less than a five percent (5%) legal or beneficial interest;

“Confidential Information” means any trade secret including but not limited to any information or matter that may be used to gain a competitive advantage over Franchisor or any of its Affiliates (if any) and is not generally known by the public, whether or not in written or tangible form and regardless of the media (if any) on which it is stored, relating to the System, (including know-how, knowledge of and experience in operating a Wok to Walk Unit, methods,

formats, specifications, policies, procedures, information, standards, business management and operating systems and techniques, record keeping and reporting methods, accounting systems, management and personnel training techniques, advertising and promotion techniques, specifications for signs, displays, business forms, and business stationery to be used by franchisees, designs, drawings, and specifications for the Approved Location, the Manual, ideas, research and development, customer account data, lists of franchisees and suppliers, suggested pricing and cost information, information relating to Franchisor's proprietary software, including, but not limited to, technological manuals, system requirements, technological support systems, training programs or techniques), and any other information or material identified to Franchisee by Franchisor as confidential;

“Designated Area” means the area within which Franchisee is required to locate the Franchised Unit as defined or described in Section 2.3 hereof and does not confer any territorial protection or exclusivity;

“Designated Manager” means the person designated by Franchisee who has primary responsibility for managing the day-to-day affairs of the Franchised Unit, and if Franchisee is an individual and not a business entity, the Designated Manager may be Franchisee or his or her designee;

“Effective Date” means the date upon which Franchisor executes this Agreement and commences the effectiveness and term of this Agreement;

“Electronic Depository Transfer Account” means an account maintained by Franchisee with a national banking institution approved by Franchisor providing Franchisor with access to such account sufficient to allow Franchisor to electronically withdraw any funds due Franchisor;

“Franchise” means the right granted to Franchisee by Franchisor to use the System and the Marks;

“Franchise Fee” has the meaning given to such term in Section 3.1 hereof;

“Franchised Unit” means the Wok to Walk Unit to be established and operated by Franchisee in accordance with the System at the Approved Location pursuant to this Agreement;

“Franchisee” means the individual or entity defined as “Franchisee” in the introductory paragraph of this Agreement, and if Franchisee is a business entity, such term shall also include all holders of a legal or beneficial interest in the entity (each of which is identified in Exhibit E

and has executed the supplemental signature page with respect to his or her individual obligations hereunder);

“Franchisor” means WTW US Franchise Systems LLC;

“Gross Sales” means the aggregate of all revenue from the sale of food and any other goods and services from all sources in connection with the Franchised Unit whether for check, cash, credit or otherwise including, without limitation, all proceeds from any business interruption insurance, but excluding all refunds, promotions and discounts made or given in good faith, any sales and equivalent taxes which are collected by Franchisee for or on behalf of any governmental taxing authority and paid thereto, and the value of any allowance issued or granted to any customer of the Franchised Unit which is credited by Franchisee in full or partial satisfaction of the price of any services and products offered in connection with the Franchised Unit;

“Gross Sales Report” has the meaning given to such term in Section 12.2;

“Incapacity” means the inability of Franchisee to operate or oversee the operation of the Franchised Unit on a regular basis by reason of any continuing physical, mental or emotional condition, chemical dependency or other limitation;

“Internet” means any one (1) or more local or global interactive communications media, that is now available, or that may become available, and includes sites and domain names on the World Wide Web;

“Local Advertising” has the meaning given to such term in Section 11.2 hereof;

“Manual” means the Wok to Walk Operations Manual, and any other items as may be provided, added to, changed, modified or otherwise revised by Franchisor from time to time that contain or describe the standards, methods, procedures and specifications of the System, including, other operations, administration and managers manuals, and all books, password protected portions of an Internet site, e-mail, pamphlets, memoranda, and other publications prepared by, or on behalf of, Franchisor;

“Marketing Fund” has the meaning given to such term in Section 3.3 and is further described in Section 11.3;

“Marketing Fund Contribution” has the meaning given to such term in Section 3.3 hereof;

“**Mark(s)**” means the service mark “Wok to Walk” and such other trade names, trademarks, service marks, trade dress, designs, graphics, logos, emblems, insignia, fascia, slogans, copyrights, drawings and other commercial symbols as Franchisor may designate to be used in connection with Wok to Walk Units;

“**Proprietary Advertising and Marketing Materials**” has the meaning given to such term in Section 13.3 hereof;

“**Proprietary Ingredients**” has the meaning given to such term in Section 13.2 hereof;

“**Territory**” has the meaning given to such term in Section 2.5 hereof;

“**Royalty Fee**” has the meaning given to such term in Section 3.2 hereof; and

“**System**” means the uniform standards, methods, procedures and specifications developed by Franchisor and as may from time to time be added to, changed, modified, withdrawn or otherwise revised by Franchisor, in its sole discretion, for the operation of Wok to Walk Units.

2. **GRANT OF FRANCHISE**

2.1 **Grant**

Franchisor hereby grants to Franchisee, and Franchisee undertakes and accepts, upon the terms and conditions herein contained, a revocable, limited license to operate one (1) Wok to Walk Unit using the System and the Marks at the Approved Location as provided in Section 2.2 hereof.

2.2 **Approved Location**

The street address (or detailed description of the premises) of the first Approved Location is unknown at this time, but must be located in_____.

2.3 **Approved Location Not Determined**

If the Approved Location of the Franchised Unit is not determined as of the Effective Date, then the geographic area in which the Franchised Food Unit is to be located shall be within the area described or defined as:

_____ (“Designated Area”).

When the Approved Location is determined, its address shall be inserted into Section 2.2 above. The Designated Area is delineated for the sole purpose of site selection and does not confer any territorial exclusivity or protection.

2.4 Sub-franchising/Agents

Franchisee shall not sublicense the use of the System or Marks to any person or entity to perform any part of Franchisee’s rights or obligations licensed hereunder, or to grant any person or entity the right to act as Franchisee’s agent to perform any part of Franchisee’s rights or obligations hereunder.

2.5 Territory (“Site Location”)

Franchisor shall not, and does not grant you any protected territory and you cannot acquire a protected territory from franchisor.

2.6 Franchisor’s Rights

Except to the extent provided in Section 2.5 above, Franchisor retains all of its rights and discretion with respect to the Marks and System, including the right:

2.6.1 to establish, and license others to establish, Wok to Walk Units under the System and Marks at any location outside of the site location as Franchisor deems appropriate;

2.6.2 to establish, and license others to establish, other businesses under other systems using other proprietary marks at such locations and on such terms and conditions as Franchisor deems appropriate; provided, however, that such other businesses will not be substantially similar to the Franchised Unit.

2.6.3 to sell, the products and services authorized for the Franchised Unit, including, but not limited to, licenses for Franchisor’s Proprietary Ingredients through alternate channels of distribution, such as joint marketing with partner companies, direct mail, licensing programs, Internet and catalogue sales both pursuant to such terms and conditions as Franchisor deems appropriate, provided, however, that no such sales shall be made to a Competitive Business within the Territory; and

2.6.4 to engage in any activities not expressly forbidden by this Agreement.

2.7 **Guidance and Supervision Liability**

For the avoidance of doubt, it is hereby stated that Franchisor and Franchisor's right of supervision, approval, support and guidance pursuant hereto in connection with the Franchised Unit, including its establishment and operation, is provided to monitor the high quality of the Franchised Restaurant and the reputation of the Chain and does not impose any liability on Franchisor in connection with the assistance, supervision approval, support and guidance for which the Franchisee shall be exclusively liable.

3. **FEES**

Franchisee agrees to pay Franchisor the following fees and amounts at the times specified herein:

3.1 **Franchise Fee**

Upon execution of this Agreement, Franchisee shall pay a non-refundable Franchise Fee to Franchisor of Thirty Thousand Dollars (\$30,000.00). The Franchise Fee shall be deemed fully earned upon execution of this Agreement and is nonrefundable even in the event that the Franchisee does not establish the Franchised Unit. The Franchise Fee is payment, in part, for expenses incurred by Franchisor in furnishing assistance and services to Franchisee as set forth in this Agreement with regard to the development of the Unit to be developed hereunder, and for costs incurred by Franchisor including, but not limited to, general sales and marketing expenses, training, legal, accounting and other professional fees.

3.2 **Monthly Royalty Fee**

On the tenth (10th) day of each month, Franchisee shall pay to Franchisor without offset, credit, or deduction of any nature, so long as this Agreement shall be in effect, a monthly fee ("Royalty Fee") equal to six percent (6%) of Gross Sales for the preceding month ending the last day of the prior month. Each monthly Royalty Fee payment shall accompany the Gross Sales Report, as required by Section 12.2, for the same period. If Franchisor requires Franchisee to pay Royalty Fees through electronic transfer as set forth in Section 3.6, then such statements shall instead be submitted to Franchisor either electronically or via facsimile transmission, as stated in the Manual.

3.3 **Marketing Fund Contribution**

Franchisor has the right to establish and administer a System-wide marketing, advertising and promotion fund ("Marketing Fund"). If a Marketing Fund is established, Franchisee may be required to contribute monthly to the Marketing Fund in an amount specified by Franchisor ("Marketing Fund Contribution"), which shall not exceed one-half percent (.5%) of the prior month's Gross Sales. Franchisor may adjust the percentage periodically up to a maximum of two percent (2%), after providing Franchisee with prior written notice. Marketing Fund Contributions shall be made at the same time and in the same manner as Royalty Fee payments. If established, the Marketing Fund shall be maintained and administered by Franchisor or its designee in accordance with the provisions contained in Section 11.3.

3.4 Taxes

Franchisee shall pay to Franchisor an amount equal to all sales taxes, use taxes and similar taxes imposed on the fees payable to Franchisor hereunder and on services or goods furnished to Franchisee by Franchisor, whether such services or goods are furnished by sale, lease or otherwise, unless the tax is an income tax assessed on Franchisor for doing business in the state where the Franchised Unit is located.

3.5 Interest

All Royalty Fee payments, Marketing Fund Contributions and other amounts that are not received within five (5) days after the due date shall bear interest at the rate of Ten percent (10%) per annum (or the highest rate allowed by law, whichever is lower) from the date payment is due to the date payment is received by Franchisor. This Section 3.5 shall not constitute an agreement by Franchisor to accept any payments after the due date or a commitment by Franchisor to extend credit to, or otherwise finance Franchisee's operation of, the Franchised Unit. Franchisee shall pay Franchisor for all costs incurred by Franchisor in the collection of any unpaid and past due Royalty Fee payments, Marketing Fund Contributions or any other amounts due Franchisor, including reasonable accounting and legal fees. Notwithstanding the provisions of this Section, Franchisee's failure to pay all amounts when due, shall constitute grounds for termination of this Agreement as provided in Section 16.2.

3.6 Electronic Transfer

Franchisor has the right to require all Royalty Fee payments, Marketing Fund Contributions, amounts due for purchases by Franchisee from Franchisor and other amounts due to Franchisor to be paid through an Electronic Depository Transfer Account. At Franchisor's request, Franchisee shall open and maintain an Electronic Depository Transfer Account, and shall provide Franchisor with continuous access to such account for the purpose of receiving any payments due to Franchisor. Every month, Franchisee shall make deposits to the account

sufficient to cover amounts owed to Franchisor prior to the date such amounts are due. Franchisee shall execute any documents Franchisor's or Franchisee's bank requires to establish and implement the Electronic Depository Transfer Account. Once established, Franchisee shall not close the Electronic Depository Transfer Account without Franchisor's consent.

3.7 **Application of Payments**

Notwithstanding any designation by Franchisee, Franchisor shall have the sole discretion to apply any payments by Franchisee to any past due indebtedness of Franchisee for Royalty Fees, Marketing Fund Contributions, purchases from Franchisor, interest or any other amount owed to Franchisor.

4. **TERM**

4.1 **Initial Term**

This Agreement shall be effective and binding for an initial term of ten (10) years from the Effective Date of this Agreement, unless sooner terminated pursuant to Section 16.2.

5. **LOCATION, OPENING AND OPERATION**

5.1 **Selection of Site**

Franchisee shall promptly select a site for the Franchised Unit and shall notify Franchisor of such selection. If Franchisor approves of such selection, the site will be designated as the Approved Location. If Franchisor does not approve of such selection, Franchisee shall select a new site. Franchisor shall provide Franchisee with general guidelines to assist Franchisee in selecting a site suitable for the Approved Location. Franchisor has the right to approve or disapprove a proposed location based on such factors as it deems appropriate, including the condition of the premises, demographics of the surrounding area, proximity to other Wok to Walk Units, lease requirements and overall suitability. Franchisee shall not locate the Franchised Unit on a selected site without the prior written approval of Franchisor. If Franchisor and Franchisee cannot agree upon a suitable site for the operation of the Franchised Unit within nine (9) months of the Effective Date, Franchisor shall have the right, in its discretion, to terminate this Agreement, pursuant to Section 16.2. **Franchisor does not represent that it or any of its employees, agents, or designees have special expertise in selecting sites. Neither Franchisor's assistance nor approval is intended to indicate or indicates that the Franchised Unit will be profitable or successful at the Approved**

Location. Franchisee is solely responsible for finding and selecting the Approved Location.

5.2 Approval of Lease

After the designation of the Approved Location (and if the site is to be leased or purchased), Franchisee shall execute a lease for, or a binding agreement to purchase, the Approved Location, the terms of which must have been previously approved by Franchisor. Franchisor shall not unreasonably withhold its approval. **Franchisor's review of a lease or purchase agreement, or any advice or recommendation offered by Franchisor, shall not constitute a representation or guarantee that Franchisee will succeed at the Approved Location nor constitute an expression of Franchisor's opinion regarding the terms of such lease or purchase agreement.** Franchisor shall be entitled to require that nothing therein contained is contradictory to, or likely to interfere with, Franchisor's rights or Franchisee's duties under this Agreement. Franchisee shall take all actions necessary to maintain the lease, if any, of the Approved Location while this Agreement is in effect. Any default for which the lease may be terminated shall also be deemed a default hereunder and the time to cure the same shall expire when the lease is terminated. Franchisor has the right to require that the lease for the Approved Location be collaterally assigned by Franchisee to Franchisor, pursuant to the terms of its standard collateral assignment of lease form, to secure performance by Franchisee of its obligation under this Agreement. Franchisor's approval of a lease shall be conditioned upon inclusion of terms in the lease acceptable to Franchisor and, at Franchisor's option, the lease shall contain such provisions as Franchisor may reasonably require, including:

5.2.1 a provision reserving to Franchisor the right, at Franchisor's election, to receive an assignment of the leasehold interest upon termination or expiration of the Franchise grant;

5.2.2 a provision expressly permitting the lessor of the premises to provide Franchisor all sales and other information lessor may have obtained or received relating to the operation of the Franchised Unit, as Franchisor may request;

5.2.3 a provision requiring the lessor to provide Franchisor with a copy of any written notice of deficiency sent by the lessor to Franchisee, and granting to Franchisor, in its sole discretion and sole option, the right (but not the obligation) to cure any deficiency under the lease should Franchisee fail to do so within fifteen (15) days after the expiration of the period in which Franchisee may cure the default;

5.2.4 a provision allowing Franchisee to display the Marks in accordance with the specifications required by the Manual, subject only to the provisions of applicable law;

5.2.5 a provision prohibiting the premises from being used for any purpose other than the operation of the Franchised Unit;

5.2.6 a provision stating that any default under the lease shall constitute a default under this Agreement, and any default under this Agreement shall constitute a default under the lease; and

5.2.7 a provision stating that upon default of this Agreement, Franchisor or its nominee has the right to take possession of the premises and operate the Franchised Unit.

5.3 **Establishment of the Franchised Units**

Establishment: The Franchisee shall establish the Franchised Unit and open it to the public, subject to Franchisor's prior written approval, on the opening date agreed in writing between Franchisor and Franchisee. The identity of the supervising architect shall be as determined by the Franchisor. Franchisee shall pay the supervising architect the amount equal to TEN THOUSAND (10,000) EUROS for the supervising architect's services. In addition, the Franchisee shall hire and be responsible for payment to a local Architect, whose identity shall be pre-approved in writing by Franchisor.

In connection with the establishment of the Franchised Unit, Franchisee shall:

5.3.1 employ a Franchisor designated Approved Supplier, who is a competent licensed architect, to prepare, for Franchisor's approval, preliminary plans and specifications for improvement of the Approved Location adapted from the plans furnished by Franchisor;

5.3.2 Obtain all zoning classifications and clearances which may be required by state and local laws, ordinances or regulations, and submit to Franchisor, for Franchisor's approval, final plans for construction based upon the preliminary plans and specifications;

5.3.3 Obtain all required building, utility, sign, health, and business permits and licenses, and any other required permits and licenses required for the build-out and operation of the Franchised Unit and certify in writing and provide evidence to Franchisor that all such permits have been obtained;

5.3.4 employ a qualified, licensed general contractor, approved by Franchisor to complete construction of all required improvements to the Approved Location;

5.3.5 purchase and install all required equipment, signs, furniture and fixtures, including any point-of-sale and computer equipment necessary for the operation of the Franchised Unit and in accordance with Franchisor's specifications for same; and

5.3.6 obtain at least one (1) telephone number solely dedicated to the Franchised Unit.

5.4 Opening

5.4.1 Before opening the Franchised Unit and commencing business, Franchisee must:

5.4.1.1 fulfill all of the obligations pursuant to the other provisions of this Section 5.4;

5.4.1.2 complete initial training to the satisfaction of Franchisor;

5.4.1.3 hire and train the personnel required for the operation of the Franchised Unit;

5.4.1.4 furnish Franchisor with copies of all insurance policies required by this Agreement, or by the lease, or such other evidence of insurance coverage and payment of premiums as Franchisor may request; and

5.4.1.5 pay in full all amounts due Franchisor.

5.4.2 Franchisee shall comply with these conditions and be prepared to open and continuously operate the Franchised Unit beginning on the opening date as agreed in writing and in advance by and between the Franchisee and the Franchisor. The right to establish and operate each Franchised Unit is subject to Franchisee's full and timely compliance with the terms and conditions of this Agreement. Time is of the essence.

5.5 Use of Approved Location

Franchisee shall not use the Approved Location for any purpose other than for the operation of a Wok to Walk Unit in full compliance with this Agreement and the Manual, unless approved in writing by Franchisor.

5.6 Relocation

Franchisee shall not relocate the Franchised Unit without the prior written consent of Franchisor, which may be withheld or delayed at Franchisor's sole discretion. If the lease for the Approved Location expires or terminates without the fault of Franchisee or if the Franchised Unit's premises is destroyed, condemned or otherwise rendered unusable, or as otherwise may be agreed upon in writing by Franchisor and Franchisee, Franchisor may, in its reasonable discretion, allow Franchisee to relocate the Franchised Unit. Any such relocation shall be at Franchisee's sole expense, and shall proceed in accordance with the requirements set forth in Sections 5.1 through 5.4. Franchisor has the right to charge Franchisee for any costs incurred by Franchisor in providing assistance to Franchisee in connection with the relocation of the Franchised Unit, including legal and accounting fees. Notwithstanding the foregoing, Franchisor has no obligation to provide relocation assistance. If no relocation site meets with Franchisor's approval, this Agreement shall terminate as provided in Section 16.2.

6. MARKS

6.1 Ownership

Franchisee's right to use the Marks is derived solely from this Agreement, is nonexclusive and is limited to the conduct of business by Franchisee pursuant to, and in compliance with, this Agreement and all applicable standards, specifications and operating procedures prescribed from time to time by Franchisor. Any unauthorized use of the Marks by Franchisee is a breach of this Agreement and an infringement of the rights of Franchisor in and to the Marks. Franchisee's use of the Marks, and any goodwill created thereby, shall inure to the benefit of Franchisor. Franchisee shall not at any time acquire an ownership interest in the Marks by virtue of any use it may make of the Marks. This Agreement does not confer any goodwill, title or interest in the Marks to Franchisee. Franchisee shall not, at any time during the term of this Agreement or after its termination or expiration, contest the validity or ownership of any of the Marks or assist any other person in contesting the validity or ownership of any of the Marks.

6.2 Limitations on Use

Franchisee shall not use any Mark or trade name, or any portion of any Mark or trade name, as part of any corporate or trade name of Franchisor including, but not limited to, the use of any such name or Mark with any prefix, suffix or other modifying words, terms, designs or symbols or in any modified form, without the prior written consent of Franchisor.

Franchisee shall not use any trade name or any Mark in connection with the sale of any unauthorized products or services, or in any other manner not expressly authorized in writing by Franchisor. Franchisee shall give such notices of trademark and service mark registrations as Franchisor specifies, and shall obtain such fictitious or assumed name registrations as may be required under applicable law. Franchisee shall not register or seek to register as a trademark or service mark, either with the United States Patent and Trademark Office or any state or foreign country, any of the Marks or a trademark or service mark that is confusingly similar to any Mark licensed to Franchisee. Franchisee shall include on its letterhead, forms, cards and other such identification, and shall display at the Approved Location, a prominent notice stating that the Franchised Unit is an “Independently Owned and Operated Franchise” of Franchisee.

6.3 Notification of Infringements and Claims

Franchisee shall promptly notify Franchisor in writing of any claim, demand or cause of action based upon, or arising from, any attempt by any other person or business to use the Marks or any colorable imitation thereof. Franchisee shall notify Franchisor of any action, claim or demand against Franchisee relating to the Marks immediately after Franchisee receives notice of said action, claim or demand. Upon receipt of timely notice of an action, claim or demand against Franchisee relating to the Marks, Franchisor has the right, at its option, to control the defense of any such action. Franchisor has the exclusive right to contest or bring action against any third party regarding the third party’s use of any of the Marks and shall exercise such right in its sole discretion. Franchisee shall not communicate with any person other than Franchisor and Franchisor’s counsel in connection with any such infringement, challenge, contest, action or claim; provided, however, Franchisee may communicate with its counsel at its own expense. In any defense or prosecution of any litigation relating to the Marks or components of the System undertaken by Franchisor, Franchisee shall cooperate with Franchisor and execute any and all documents and take all actions as may be desirable or necessary, in the opinion of Franchisor’s counsel, to carry out such defense or prosecution. Both parties shall make every effort consistent with the foregoing to protect, maintain and promote the Marks as identifying the System.

6.4 This Section Left Intentionally Blank

6.5 This Section Left Intentionally Blank

6.6 Right of Inspection

To preserve the validity and integrity of the Marks and any copyrighted materials licensed hereunder, and to ensure that Franchisee is properly employing the Marks in the operation of the Franchised Unit, Franchisor and its designees have the right to enter and inspect the Franchised Unit and the Approved Location at all reasonable times and, additionally, have

the right to observe the manner in which Franchisee is rendering its services and conducting its activities and operations, and to inspect facilities, equipment, supplies, reports, forms and documents and related data to ensure that Franchisee is operating the Franchised Unit in accordance with the quality control provisions and performance standards established by Franchisor. Franchisor and its agents shall have the right, at any reasonable time, to remove sufficient quantities of any item used in the rendering of services, to test whether such item meet Franchisor's then-current standards.

6.7 Franchisor's Sole Right to Domain Name

Franchisee shall not establish, create or operate an independent Internet site or website using a domain name or uniform resource locator containing the word "Wok to Walk" or any variation thereof. Franchisor retains the sole right to advertise on the Internet and create websites using the "Wok to Walk" name and any other domain name(s) designated by Franchisor in the Manual. Franchisor is the sole owner of all right, title and interest in and to such domain names, as Franchisor shall designate in the Manual.

7. CONFIDENTIAL INFORMATION

7.1 Requirement of Confidentiality

Franchisor shall disclose Confidential Information to Franchisee during the training program, through the Manual, the Proprietary Ingredients and as a result of guidance furnished to Franchisee during the term of this Agreement. Franchisee shall not acquire any interest in the Confidential Information, other than the right to utilize it in the development and operation of the Franchised Unit and in performing its duties during the term of this Agreement. Franchisee acknowledges that the use or duplication of the Confidential Information in any other business venture would constitute an unfair method of competition. Franchisee acknowledges that the Confidential Information is proprietary, includes Franchisor's trade secrets and is disclosed to Franchisee solely on the condition that Franchisee (and all holders of a legal or beneficial interest in Franchisee and all officers, directors, executives, managers and members of the professional staff of Franchisee): (a) shall not use the Confidential Information in any other business or capacity; (b) shall maintain the absolute confidentiality of the Confidential Information during and after the term of this Agreement; (c) shall not make any unauthorized copies of any portion of the Confidential Information disclosed in written or other tangible form; and (d) shall adopt and implement all reasonable procedures prescribed from time to time by Franchisor to prevent unauthorized use or disclosure of the Confidential Information. Franchisee shall enforce this Section as to its employees, agents and representatives and shall be liable to Franchisor for any unauthorized disclosure or use of Confidential Information by any of them.

7.2 **Additional Developments**

All ideas, concepts, techniques or materials concerning the Franchised Unit, whether or not protectable intellectual property and whether created by or for Franchisee or its owners or employees, must be promptly disclosed to Franchisor and will be deemed the sole and exclusive property of Franchisor and works made-for-hire for Franchisor, and no compensation will be due to Franchisee or its owners or employees therefore and Franchisee shall have the right to use such items only throughout the Term of this Agreement and to the extent so approved in advance and in writing by Franchisor. At Franchisor's discretion, such items may be incorporated into the System. To the extent any item does not qualify as a "work made-for-hire" for Franchisor, Franchisee shall fully, perpetually, exclusively and for no consideration assign ownership of that item, and all related rights to that item, to Franchisor and must sign whatever assignment or other documents Franchisor requests to show Franchisor's ownership or to assist Franchisor in obtaining intellectual property rights in the item. As Franchisor may reasonably request, Franchisee shall take all actions to assist Franchisor's efforts to obtain or maintain intellectual property rights in any item or process related to the System, whether developed by Franchisee or not.

7.3 **Exclusive Relationship**

Franchisee acknowledges that Franchisor would be unable to protect the Confidential Information against unauthorized use or disclosure and would be unable to encourage a free exchange of ideas and information among Wok to Walk franchisees if owners of Wok to Walk Units and members of their immediate families and households were permitted to hold an interest in or perform services for any Competitive Business. Therefore, during the term of this Agreement, neither Franchisee nor any holder of a legal or beneficial interest in Franchisee (nor any member of their immediate families and households), nor any officer, director, executive, manager or member of the professional staff of Franchisee, either directly or indirectly, for themselves, or through, on behalf of or in conjunction with any person, partnership, corporation, limited liability company or other business entity, shall:

7.3.1 Divert or attempt to divert any business or customer of the Franchised Unit to any Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks or the System; or

7.3.2 Own an interest in, manage, operate, or perform services for any Competitive Business wherever located.

**7.4 Confidentiality and Non-Competition Agreements with
Certain Individuals**

7.4.1 The Franchisee undertakes to keep any information which it received within the framework of this Agreement, and which are reasonably considered confidential (the "**Confidential Information**"), including, without limitation, know-how and trade secrets, in full confidence and make use of such information solely for the purpose of executing this Agreement, unless such information became public without breach of a duty of confidentiality.

7.4.2 The rights in the Brand Rights are a proprietary right of Franchisor (or a Franchisor-related company) and include its trade secrets.

7.4.3 Without derogating from the aforementioned, The Franchisee undertakes not to make any use of the Brand Rights, including the Brand Name, the know-how, the information and the trade secrets included therein, except for the purposes of this Agreement.

7.4.4 The Franchisee shall not disclose any Confidential Information to another or others, save for information required for the Franchised Unit's operation. In particular, and without derogating from the generality of the aforesaid, the Franchisee or anyone on its behalf shall not in any way copy or duplicate the Manual, and the Franchisee's staff shall sign a confidentiality and non-competition undertaking in a reasonable text determined by the Franchisor from time to time and provided to the Franchisee. The Franchisee shall give Franchisor a copy of any such undertaking shortly after its signature.

7.4.5 Upon the termination of this Agreement, for any reason, the Franchisee shall return to Franchisor all the Confidential Information in its possession, whether in writing or otherwise.

7.4.6 This clause shall also apply for five years from the date of termination of this Agreement, or so long as Franchisor keeps such confidential information confidential, whichever period is longer.

Franchisee undertakes that all Franchisee's employees, officer, director, executive, manager, manager, service providers and suppliers having access to any Confidential Information shall be subject to a nondisclosure obligation prior to their engagement and to assure full compliance with the confidentiality undertaking specified in this Agreement. Upon Franchisor's request, Franchisee shall provide Franchisor with copies of all nondisclosure and non-competition agreements to be signed pursuant to this Section. Said agreements shall remain on file at the offices of Franchisee and are subject to audit or review as otherwise set forth herein. Franchisor shall be a third party beneficiary with the right to enforce covenants contained in such agreements.

7.5 Reasonableness of Restrictions

Franchisee acknowledges that the restrictive covenants contained in this Section are essential elements of this Agreement and that without their inclusion Franchisor would not have entered into this Agreement. Franchisee acknowledges that each of the terms set forth herein, including the restrictive covenants, is fair and reasonable and are reasonably required for the protection of Franchisor, the System and the Marks.

8. MANUAL

8.1 Loan by Franchisor

While this Agreement is in effect, Franchisor shall loan to Franchisee one (1) copy of the Manual. Franchisee shall conduct the Franchised Unit in strict accordance with the provisions set forth in the Manual. The Manual may consist of one (1) or more separate manuals and other materials as designated by Franchisor and may be in written or electronic form. The Manual shall, at all times, remain the sole property of Franchisor and shall promptly be returned upon expiration or termination of this Agreement.

8.2 Revisions to the Manual

Franchisor has the right to add to or otherwise modify the Manual from time to time to reflect changes in the specifications, standards, operating procedures and rules prescribed by Franchisor; provided, however, that no such addition or modification shall alter Franchisee's fundamental status and rights under this Agreement. Franchisor may make such additions or modifications without prior notice to Franchisee. Franchisee shall immediately, upon notice, adopt any such changes.

8.3 Confidentiality of Manual

The Manual contains proprietary information of Franchisor and shall be kept confidential by Franchisee both during the term of the Franchise and subsequent to the expiration or termination of this Agreement. Franchisee shall at all times ensure that its copy of the Manual is available at the Approved Location in a current and up-to-date manner. Franchisee shall not disclose, duplicate or otherwise use any portion of the Manual in an unauthorized manner. Franchisee shall maintain the Manual in a locked receptacle at the Approved Location and shall only grant authorized personnel, as defined in the Manual, access to the key or combination of

such receptacle. If a dispute as to the contents of the Manual arises, the terms of the master copy of the Manual maintained by Franchisor at Franchisor's headquarters shall be controlling.

9. TRAINING AND ASSISTANCE

9.1 Initial Training

The Franchise Restaurant shall be managed on the Franchisee's behalf, in accordance with the Chain's high standard, by the Franchise Restaurant managers with suitable qualifications and skill, who shall undergo training by Franchisor. Without derogating from the Franchisee's obligations pursuant hereto, the Franchisee shall be responsible for the contact with Franchisor in relation to the daily operation of the Franchised Unit and any notice that shall be delivered to the Franchise Unit's managers shall also be deemed to have been delivered to the Franchisee.

1. Prior to the opening of the Franchised Unit, all of the Franchised Unit staff shall undergo training by Franchisor, and without derogating from the aforementioned the Franchised Unit's managers, shift supervisor, head cooks, and key personnel shall be separately trained by Franchisor, as specified herein below. The Franchisee shall be required to provide a 60 days prior written notice to Franchisor if any of the personnel that shall undergo training does not have a US passport, in order to have sufficient time for such personnel to receive training permits.
2. **Training Period by Franchisor:** The minimum training period by Franchisor of the personnel specified below, prior to the opening of the Franchised Unit or their hiring, shall be as follows:

The Franchised Unit Managers: 30 days

The Main Cook: 30 days

The Franchisee shall pay the employee's salaries throughout the training period.

3. **Notice of Confirmation:** The Franchised Unit shall not be opened to the public until a written notice is provided by Franchisor to the Franchisee that it has examined the Franchised Unit and its staff and confirmed that (i) the staff is qualified and skilled and (ii) the Franchised Unit is ready for opening and conforms with the requirements stated in this Agreement.
4. **Additional Training:** Without derogating from the Franchisee's duty to undergo training on various matters as set forth in the Manual and as necessary to maintain a qualified and professional staff, Franchisor shall train

and guide the Franchised Unit staff in connection with the Franchised Unit's establishment and operation, including the planning, design, construction, kitchen construction, purchase of equipment and instrumentation, recipes, formats, manufacturing methods, advertising and public relations, engagement of employees, bookkeeping, manner of making deliveries and any other matter related with the Franchised Unit's management, necessary in accordance with Franchisor's instructions and guidance. Training may also be provided by Franchisor, who shall also have right to visit the Franchised Unit. Training and guidance by Franchisor's personnel insofar as is necessary or required by the Franchisee, other than the initial training specified herein must be paid for by the Franchisee as determined between the Franchisee and Franchisor, in accordance with the Chain's customary tariffs.

9.2 Opening Assistance

In conjunction with, and prior to, the beginning of operation of the Franchised Unit, Franchisor shall make available to Franchisee, at Franchisor's expense, for approximately five (5) days, one (1) of Franchisor's representatives, experienced in the System, for the purpose of providing general assistance and guidance in connection with the opening or continued operation of the Franchised Unit. Should Franchisee request additional assistance from Franchisor in order to facilitate the opening of the Franchised Unit, and should Franchisor deem it necessary and appropriate to comply with such request, Franchisor shall provide such additional assistance at Franchisor's then-current standard rates, plus expenses.

9.3 Failure to Complete Initial Training Program

If Franchisor determines, in its sole discretion, that the Designated Manager is unable to satisfactorily complete the training program described above, Franchisor has the right to terminate this Agreement. If this Agreement is terminated pursuant to this Section 9.3, Franchisee shall not be entitled to a refund of any portion of the Franchise Fee paid by Franchisee. If Franchisee is a business entity and the Designated Manager fails to complete the initial training program to Franchisor's reasonable satisfaction, in Franchisor's sole discretion, Franchisee may be permitted to select a substitute manager and such substitute manager must complete the initial training to Franchisor's reasonable satisfaction. Franchisee may be required to pay Franchisor's then-current rates for additional training, if any, for providing the substitute manager an initial training program.

9.4 New Designated Manager or New Lead Chef

If Franchisee names a new Designated Manager, or hires a new lead chef, the new Designated Manager or lead chef must complete the initial training program to Franchisor's satisfaction within sixty (60) days. The new Designated Manager or new lead chef may attend the initial training program without charge, provided that Franchisor has the right to require Franchisee to pay the costs of training if Franchisor determines that manager or chef changes are excessive or caused by poor hiring practices. Franchisee shall be responsible for all travel costs, room and board expenses and employees' salaries incurred in connection with the Designated Manager or chef's attendance at such training.

9.5 Ongoing Training

From time to time Franchisor may provide, and if it does, has the right to require that the Designated Manager or lead chef attend, ongoing training programs or seminars during the term of this Agreement. Without derogating from the Franchisee's duty to undergo training on various matters as set forth in the Manual and as necessary to maintain a qualified and professional staff, Franchisor shall train and guide the Franchised Unit staff in connection with the Franchised Unit establishment and operation, including the planning, design, construction, kitchen construction, purchase of equipment and instrumentation, recipes, formats, manufacturing methods, advertising and public relations, engagement of employees, bookkeeping, manner of making deliveries and any other matter related with the Franchised Unit's management, necessary in accordance with Franchisor's instructions and guidance, and Franchisor shall have the right to request Franchisee to draft and provide Franchisor with any reports on any issues stated herein or any issue related to the Franchised Unit, including, without limitation, customers complaints report, hygiene, inventory and operational procedures, Training may also be provided by Franchisor, who shall also have right to visit the Franchised Unit. Training and guidance by Franchisor's personnel insofar as is necessary or required by the Franchisee, other than the initial training specified herein, must be paid for by the Franchisee as determined between the Franchisee and Franchisor, in accordance with the Chain's customary tariffs. Franchisee shall be responsible for all travel costs, room and board expenses and employees' salaries incurred in connection with the Designated Manager or chef's attendance at such training.

10. FRANCHISE SYSTEM

10.1 Uniformity

Franchisee shall strictly comply, and shall cause the Franchised Unit to strictly comply, with all requirements, specifications, standards, operating procedures and rules required by the Franchisor from time to time, including, without limitation, as set forth in this Agreement, the Manual or other communications supplied to Franchisee by Franchisor.

10.2 Modification

Franchisor has 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 computer hardware, software, equipment, supplies, ingredients or techniques. Franchisee shall accept and use any such changes in, or additions to, the System as if they were a part of this Agreement as of the Effective Date. Franchisee shall make such expenditures as such changes, additions or modifications in the System may reasonably require.

10.3 Variance

Franchisor has the right, at its sole discretion and as it may deem in the best interests of all concerned in any specific instance, to vary standards or specifications for any franchisee based upon that particular franchisee's qualifications, the peculiarities of the particular site or circumstances, the demographics of the trade area, business potential, existing business practices or any other condition which Franchisor deems to be of importance to the successful operation of any particular Wok to Walk Unit. Franchisor shall not be required to disclose or grant to Franchisee a like or similar variance hereunder.

11. MARKETING AND PROMOTION

11.1 Grand Opening Advertising

Franchisee shall spend no less than Five Thousand Dollars (\$5,000) during the first three (3) months of operation of the Franchised Unit on local advertisement and promotion of the initial opening ("Grand Opening Advertising"). Prior to their use, all materials to be used in Grand Opening Advertising must be approved by Franchisor through the process set forth in Section 11.2. As set forth in Section 13.3, Franchisor has developed Proprietary Advertising and Marketing Materials specially suited for use in promoting and advertising Wok to Walk Units. Further, Franchisee may be required to use Proprietary Advertising and Marketing Materials in Grand Opening Advertising. Grand Opening Advertising expenditures shall be in addition to any Local Advertising expenditures and Marketing Fund Contributions.

11.2 Local Advertising

11.2.1 Franchisee shall continuously promote the Franchised Unit. Annually, Franchisee shall spend at least one percent (1%) of Franchisee's Gross Sales on advertising, promotions and public relations within the immediate locality surrounding the Franchised Unit ("Local Advertising"). Such expenditures shall be made directly

by Franchisee, subject to the approval and direction of Franchisor. Franchisor will provide general guidelines for conducting Local Advertising so as to better assist Franchisee. In addition, as described above and set forth in further detail in Section 13.3, Franchisee shall be required to use Proprietary Advertising and Marketing Materials in Local Advertising. Within thirty (30) days after the end of each year, Franchisee shall furnish to Franchisor an accurate accounting of the expenditures on Local Advertising for the preceding year.

11.2.2 Franchisee shall submit to Franchisor, for its prior approval, all advertising and promotional materials to be used by Franchisee including, but not limited to, ad copy, coupons, flyers, scripts and direct mail. Franchisor shall use reasonable efforts to provide notice of approval or disapproval within twenty (20) days from the date all requested material is received by Franchisor. If Franchisor does not approve submitted materials within twenty (20) days, such materials shall be deemed to have not received the required approval. Franchisee shall not use any marketing or promotional material prior to approval by Franchisor. The submission of advertising materials to Franchisor for approval shall not affect Franchisee's right to determine the prices at which Franchisee sells products or provides services.

11.3 Marketing Fund

Franchisor has the right (but not the obligation) to establish a Marketing Fund, as defined in Section 3.3. If established, Franchisee may be required to make monthly Marketing Fund Contributions, the amount of which will be set by Franchisor and may be adjusted from time to time but shall not exceed one-half percent (.5%) of that month's Gross Sales. Franchisor will set the exact percentage that you must contribute and may adjust the percentage periodically up to a maximum of two percent (2%), after providing Franchisee with prior written notice. Franchisor shall notify Franchisee at least thirty (30) days before implementing or changing Marketing Fund Contribution requirements. The Marketing Fund shall be maintained and administered by Franchisor or its designee as follows:

11.3.1 Franchisor shall oversee all marketing programs, with sole discretion over the creative concepts, materials and media used in such programs, and the placement and allocation thereof. Franchisor does not warrant that any particular franchisee will benefit directly or *pro rata* from expenditures by the Marketing Fund. We are not obligated to spend any amount on advertising in the geographical area where you are or will be located. Franchisee's Marketing Fund Contributions may be used to meet the costs of producing, maintaining, administering and directing consumer advertising (including, without limitation, the cost of preparing and conducting television, radio, Internet, magazine and newspaper advertising campaigns and other public relations

activities; developing and/or hosting an Internet web page or site and similar activities; employing advertising agencies to assist therein; and providing promotional brochures and other marketing materials to franchisees). All Marketing Fund Contributions shall be maintained in a separate account from the monies of Franchisor and shall not be used to defray any of Franchisor's general operating expenses, except for such reasonable costs and expenses, if any, that Franchisor may incur in activities reasonably related to the administration of the Marketing Fund. We will not use National Marketing Fund monies to solicit franchisees or otherwise sell additional franchises.

11.3.2 Although Franchisor intends the Marketing Fund, if established, to be of perpetual duration, Franchisor has the right to terminate the Marketing Fund at any time. The Marketing Fund shall not be terminated, however, until all Marketing Fund Contributions have been expended for advertising and promotional purposes or returned to Franchisee and other franchisees on a *pro rata* basis.

11.3.3 It is anticipated that all Marketing Fund Contributions shall be expended for programs during Franchisor's fiscal year within which such contributions are made. If excess amounts remain in any Marketing Fund at the end of such fiscal year, all expenditures in the following fiscal year(s) shall be made first out of such excess amounts, including any interest or other earnings of the Marketing Fund and next out of prior year contributions and then out of current contributions.

11.3.4 Each Wok to Walk Unit operated by Franchisor, or any Affiliate of Franchisor (if any), shall make Marketing Fund Contributions at the same rate as our franchisees.

11.3.5 An accounting of the operation of the Marketing Fund shall be prepared annually and shall be available to Franchisee upon request. Franchisor retains the right to have the Marketing Fund audited, at the expense of the Marketing Fund, by an independent certified public accountant selected by Franchisor.

11.3.6 Franchisee acknowledges that the Marketing Fund is not a trust and Franchisor assumes no fiduciary duty in administering the Marketing Fund.

11.3.7 No amount of the Marketing Fund shall be used to solicit new franchise sales.

11.4 No Advertising Council

There is no advertising council composed of franchisees.

11.5 Internet Marketing

Franchisee may not establish a presence on, or market using, the Internet in connection with the Franchised Unit without Franchisor's prior written consent. Franchisor has established and maintains an Internet website at the domain www.woktowalk.com that provides information about the System and the services that Franchisor and its franchisees provide. Franchisor may include at the Wok to Walk website an interior page containing information about the Franchised Unit. Franchisor has the right to require Franchisee to prepare all or a portion of the page, at Franchisee's expense, using a template that Franchisor provides. All such information shall be subject to Franchisor's approval prior to posting. Franchisor retains the sole right to market on the Internet, including the use of websites, domain names, URL's, linking, search engines (and search engine optimization techniques), banner ads, meta-tags, marketing, auction sites, e-commerce and co-branding arrangements. Franchisee may be asked to provide content for Franchisor's Internet marketing and shall be required to follow Franchisor's intranet and Internet usage rules, policies and requirements. Franchisor retains the sole exclusive and perpetual right to use, at no cost, the Marks and other Brand Rights on the Internet, including on websites, as domain names, directory addresses, search terms and meta-tags, and in connection with linking, marketing, co-branding and other arrangements. Franchisor retains the sole right to approve any linking or other use of the Wok to Walk website.

11.6 Customer Referrals

Franchisor cannot and will not provide Franchisee or the Franchised Unit with any referrals of customers or potential customers. In addition, Franchisee acknowledges that there are no promises or assurances that Franchisee will necessarily realize an increase in future numbers of customers as a result of operating under Franchisor's System and/or Marks.

12. ACCOUNTING, RECORDS AND REPORTING OBLIGATIONS

12.1 Records

During the term of this Agreement, Franchisee shall maintain full, complete and accurate books, records and accounts in accordance with the standard accounting system prescribed by Franchisor in the Manual or otherwise in writing. Franchisee shall retain during the term of this Agreement, and for three (3) years thereafter, all books and records related to the Franchised Unit including, without limitation, purchase orders, invoices, payroll records, sales tax records, state and federal tax returns, cash receipts and disbursement journals, general

ledgers, and any other financial records designated by Franchisor or required by law.

12.2 Sales Reports

Franchisee shall maintain an accurate record of daily Gross Sales and will deliver to Franchisor a signed and verified statement of monthly Gross Sales of the Franchised Unit using such form as Franchisor provides in the Manual which may either be in written or electronic form ("Gross Sales Report"). The monthly statement of Gross Sales for the preceding month must be provided to Franchisor by the close of business on the Tenth day of following month.

12.3 Financial Statements

Franchisee shall supply to Franchisor on or before the fifteenth (15th) day of each month, in a form approved by Franchisor, a balance sheet as of the end of the preceding month and an income statement for the preceding month and the year-to-date. Franchisee shall, at its expense, submit to Franchisor within ninety (90) days after the end of each fiscal year, an income statement for the fiscal year just ended and a balance sheet as of the last day of the fiscal year. Such financial statements shall be prepared in accordance with generally accepted accounting principles applied on a consistent basis and confirmed by the signature of the Franchisee's CPA. If required by Franchisor, such financial statements shall be reviewed or audited by a certified public accountant. Further, Franchisee shall submit to Franchisor such other periodic reports in the manner and at the time specified in the Manual or otherwise in writing.

12.4 Other Reports

Franchisee shall submit to Franchisor copies of all state sales tax returns that are required to be filed with the appropriate governmental agency and such other records as Franchisor may reasonably request from time to time or as specified in the Manual. Franchisor shall have the right to release financial and operational information relating to the Franchised Unit to Franchisor's lenders or prospective lenders. Franchisee shall certify as true and correct all reports to be submitted pursuant to this Agreement.

12.5 Computer/Point-of-Sale System

Franchisee undertakes to install and utilize at the Franchised Unit, at Franchisee's expense, any hardware, software and data communication equipment (hereinafter referred to as "Computer Equipment"), including without limitation point-of-sale systems, required by Franchisor, from time to time and to allow Franchisor direct and continuous connection to the

computer equipment, including, without limitation, access to the monetary systems and operating systems. Franchisor shall maintain full confidentiality and shall not disclose data furnished to it through the monetary system, unless such is necessary in order to enforce its rights pursuant hereto.

12.6 Right to Inspect

Franchisor, or its designee, has the right during normal business hours to examine, copy, and audit the books, records and tax returns of Franchisee. If the audit or any other inspection should reveal that any payments to Franchisor have been underpaid, then Franchisee shall immediately pay to Franchisor the amount of the underpayment plus interest from the date such amount was due until paid at the rate of eighteen percent (18%) per annum or the maximum rate permitted by law, whichever is less. If the inspection discloses an underpayment of three percent (3%) or more of the amount due for any period covered by the audit, Franchisee shall, in addition, reimburse Franchisor for any and all costs and expenses connected with the inspection (including, without limitation, travel expenses and reasonable accounting and attorneys' fees). The foregoing remedies shall be in addition to any other remedies Franchisor may have.

12.7 Release of Records

At Franchisor's request, Franchisee shall authorize and direct any third parties, including, without limitation, accounting professionals and safety and hygiene controllers, to release to Franchisor all reports, including without limitation, accounting and financial records arising from or relating to the operation of the Franchised Unit including, but not limited to, records evidencing Gross Sales, profits, losses, income, tax liabilities, tax payments, revenues, expenses, and any correspondence, notes, memoranda, audits, business records, or internal accounts within said third parties' possession, custody or control, and to continue to release such records to Franchisor on a monthly basis for the length of the unexpired term of this Agreement or until such time as Franchisor withdraws its request. Franchisee shall execute all documents necessary to facilitate the release of records referenced herein to Franchisor. Franchisor Wok to Walk shall have a right to demand that additional records and reports be prepared as necessary to safeguard our Wok to Walk's rights pursuant hereto, and specifically, without limitation, the right to royalties. The Franchisee shall allow Franchisor Wok to Walk, or anyone designated by us Wok to Walk in writing, to examine its books and we and the Franchisee reserve the right to demand any document from the books of the Franchisee. The signature on this Agreement constitutes irrevocable authorization to the Franchisee's bookkeeper or accountant to provide Franchisor Wok to Walk information insofar as required by us Wok to Walk. Franchisor Wok to Walk shall maintain full confidentiality and shall not disclose data furnished to it in accordance with this Agreement to any third party, unless such is necessary in order to enforce its rights

pursuant hereto. Without prejudice to the aforesaid, the Franchisee shall submit Wok to Walk Periodic Reports, including inter alia, Financial Report, on the third day of the week or month, as applicable, following the week or month to which the report applies (the “**Periodic Reports**”).

13. STANDARDS OF OPERATION

13.1 Authorized Products, Services and Suppliers

13.1.1 Franchisee acknowledges that the reputation and goodwill of the System is based in large part on offering high quality products and services to its customers. Accordingly, Franchisee shall provide or offer for sale or use at the Franchised Unit only those supplies, signs, equipment and other items and services that Franchisor from time to time approves (and which are not thereafter disapproved) and that comply with Franchisor’s specifications and quality standards. If required by Franchisor, any such items or services shall be purchased only from “Approved Suppliers” that Franchisor designates or approves (which might include, or be limited to, Franchisor). Franchisee shall not offer for sale, sell or provide through the Franchised Unit or from the Approved Location any products or services that Franchisor has not approved.

13.1.2 Franchisor shall provide Franchisee, in the Manual or other written or electronic form, with a list of specifications and, if required, a list of Approved Suppliers for some or all of the supplies, signs, equipment and other approved or specified items and services, and Franchisor may from time to time issue revisions to such list. If Franchisor is an Approved Supplier, Franchisee shall execute a standard form purchase or supply agreement for the items to be supplied by Franchisor.

13.1.3 Notwithstanding anything contrary in this Agreement, Franchisor has the right to review from time to time its approval of any items or suppliers. Franchisor may revoke its approval of any item, service or supplier at any time, and in its sole discretion, by notifying Franchisee and/or the supplier. Franchisee shall, at its own expense, promptly cease using, selling or providing any items or services disapproved by Franchisor and shall promptly cease purchasing from suppliers disapproved by Franchisor.

13.1.4 Franchisor has the right to designate certain products and services, not otherwise authorized for general use as part of the System, to be offered locally or regionally based upon such factors as Franchisor determines including, but not limited to, Franchisee qualifications, test marketing and regional or local differences. Franchisor has the right, in its sole discretion from time to time, to give its consent to

one (1) or more franchisees to provide certain products or services not authorized for general use as part of the System. Such consent will be based upon the factors set forth in Section 10.3 and shall not create any rights in Franchisee to provide the same products or services.

13.1.5 Franchisor has the right to retain volume rebates, markups and other benefits from suppliers or in connection with the furnishing of suppliers. Franchisee shall have no entitlement to or interest in any such benefits.

13.2 Proprietary Ingredients

Franchisor has developed proprietary ingredients and formulas for certain food products that are especially suited for the operation of Wok to Walk Units (“Proprietary Ingredients”). Upon Franchisee’s execution of this Agreement, Franchisor shall provide Franchisee access to Confidential Information relating to its proprietary food products and manuals for the same. As set forth in Section 7.1, disclosure of any of the Proprietary Ingredients to anyone shall cause significant harm to the franchisor, their franchisees, shareholders and suppliers. Franchisee hereby consents to a permanent injunction for the disclosure, distribution or mistaken disclosure or distribution of franchisors Proprietary Ingredients and an immediate forfeiture of any franchises owned. To maintain the uniformity, high quality and distinctiveness of the System, Franchisee agrees to install, maintain, operate and alter the Proprietary Ingredients in accordance with Franchisor’s specifications, procedures and requirements for the same as stated in the Manual.

13.3 Proprietary Advertising and Marketing Materials

Franchisor has developed and continues to develop proprietary content and printed materials specially suited for promoting and advertising the services of Wok to Walk Units (“Proprietary Advertising and Marketing Materials”). In order to maintain the uniformity, high quality and distinctiveness of the System, Franchisor shall make the Proprietary Advertising and Marketing Materials available to Franchisee in electronic or camera ready format provided that Franchisee is in compliance with this Agreement and all other agreements with Franchisor.

13.3.1 Franchisee acknowledges and agrees that the Proprietary Advertising and Marketing Materials are distinctive as a result of being developed pursuant to Franchisor’s industry experience and are inextricably interrelated with the Marks. Franchisee agrees to use the Proprietary Advertising and Marketing Materials in promoting and advertising the services of the Franchised Unit in accordance with Franchisor’s advertising guidelines and requirements as stated in Section 11.2 and in the Manual.

13.3.2 Franchisor commits to provide the Proprietary Advertising and Marketing Materials supplied by Franchisor at competitive prices if Franchisor chooses to charge Franchisee for the use of Proprietary Advertising and Marketing Materials; however, Franchisee acknowledges that Franchisor have the right to earn a reasonable profit on the sale of Proprietary Advertising and Marketing Materials.

13.4 Appearance and Condition of the Approved Location

Franchisee shall maintain the Franchised Unit and the Approved Location in “like new” condition, and shall repair or replace equipment, fixtures and signage as necessary to comply with the health and safety standards and specifications of Franchisor and Franchisee’s lessor and any applicable laws or regulations. The expense of such maintenance shall be borne by Franchisee and shall be in addition to any required System modifications, as described in Section 10.2.

13.5 Right to Inspect

In addition to Franchisor’s rights set forth in Sections 6.6 and 12.6, Franchisor, or its designee, has the right to inspect the Franchised Unit at all reasonable times without prior notice for cleanliness, maintenance, safety, quality, management practices, compliance with this Agreement and strict adherence to the System. Franchisee hereby permits Franchisor to remove samples of products, materials, supplies and other items offered for sale from or used in the operation of the Franchised Unit in amounts reasonably necessary for testing by Franchisor to determine whether such samples meet Franchisor’s then-current standards. Franchisor or its designee has the right to observe Franchisee and its employees during the operation of the Franchised Unit and to interview customers and employees and to photograph the premises.

13.6 Ownership and Management

The Franchised Unit shall, at all times, be under the direct supervision of Franchisee. Franchisee shall appoint a Designated Manager, who shall devote his or her full-time efforts to the management of the day-to-day operation of the Franchised Unit. Franchisee may appoint him or herself as the Designated Manager.” Full-time” means the expenditure of at least thirty-five (35) hours per week, excluding vacation, sick leave and similar absences. Franchisee shall keep Franchisor informed, in writing, at all times of the identity of its Designated Manager. Franchisee must not engage in any business or other activities that will conflict with its obligations under this Agreement.

13.7 Days of Operation

Franchisee shall keep the Franchised Unit open for business during normal business hours on the days specified in the Manual.

13.8 Licenses and Permits; Compliance with Laws

13.8.1 Franchisee shall secure and maintain in force all required licenses, permits and certificates necessary for the operation of the Franchised Unit and shall operate the Franchised Unit in full compliance with all applicable laws, ordinances and regulations including, without limitation, all government regulations applicable to the quick service restaurant business and the operations of a food unit. Franchisee shall retain competent legal counsel for the purpose of advising and assisting Franchisee in complying with all applicable federal, state and local laws, rules and regulations including, without limitation, those laws, rules and regulations which regulate quick service restaurant business; regulate matters affecting safety and welfare of Franchisee's customers and regulate the proper use, storage and disposal of waste and hazardous materials.

13.8.2 Franchisor makes no representation to Franchisee with regard to any legal requirements that Franchisee must satisfy or comply with in connection with the operation of the Franchised Unit. Franchisee shall be solely responsible for investigating and complying with all such laws, ordinances and regulations with regard to the operation of the Franchised Unit.

13.9 Notification of Proceedings

Franchisee shall notify Franchisor in writing of the commencement of any action, suit or proceeding involving Franchisee or the Franchised Unit, and of the issuance of any order, writ, injunction, award or decree which may affect the operation or financial condition of the Franchised Unit, not more than five (5) days after such commencement or issuance. Franchisee shall deliver to Franchisor not more than five (5) days after Franchisee's receipt thereof, a copy of any inspection report, warning, certificate or rating by any governmental agency relating to any health or safety law, rule or regulation that reflects Franchisee's failure to meet and maintain the highest applicable rating or Franchisee's noncompliance or less than full compliance with any applicable law, rule or regulation.

13.10 Compliance with Good Business Practices

Franchisee acknowledges that the quality of customer service, and every detail of appearance and demeanor of Franchisee and its employees, is material to this Agreement and the

relationship created hereby. Therefore, Franchisee shall endeavor to maintain high standards of quality and service in the operation of the Franchised Unit. Franchisee shall at all times give prompt, courteous and efficient service to customers of the Franchised Unit. The Franchised Unit shall in all dealings with its customers, vendors and the general public adheres to the highest standards of honesty, fair dealing and ethical conduct. If Franchisor deems that Franchisee did not fairly handle a customer complaint, Franchisor has the right to intervene and satisfy the customer. Franchisor has the right to terminate this Agreement for repeated violation of this Section. Franchisee shall reimburse Franchisor for all costs incurred by Franchisor in servicing a customer of the Franchised Unit pursuant to this Section.

13.11 Uniforms

Franchisee agrees to abide by any uniform requirements stated in the Manual, including, but not limited to, wearing any uniform designated by Franchisor. Franchisor may require Franchisee to purchase any required uniforms from a designated supplier who meets Franchisor's specifications and quality standards.

13.12 Vending Machines

Franchisee shall not install or use at the Franchised Unit any vending machines, amusement devices, video machines or other similar devices without Franchisor's written approval.

13.13 Credit Cards

Franchisee shall, at its expense, lease or purchase the necessary equipment and/or software and shall have arrangements in place with Visa, MasterCard, American Express, and such other credit card issuers as Franchisor may designate from time to time to enable the Franchised Unit to accept such methods of payment from its customers.

14. FRANCHISOR'S OPERATIONS ASSISTANCE

14.1 General Advice and Guidance

If Franchisor provides advice or guidance to Franchisee relative to prices for services and products, such advice shall be in Franchisor's judgment, constitutes good business practice, based upon the experience of Franchisor and its franchisees in operating Wok to Walk Units, an analysis of costs and prices charged for competitive services and products.

Notwithstanding anything set forth herein, Franchisee shall have the sole right to determine the prices to be charged by the Franchised Unit.

14.2 Changes and Improvements Requirements

To the extent Franchisor requires Franchisee to make any changes or improvements, Franchisee shall implement any required changes or improvements in a timely manner.

14.3 System Improvements

Franchisor shall communicate improvements in the System to Franchisee as such improvements may be developed or acquired by Franchisor and implemented as part of the System.

15. INSURANCE

15.1 Types and Amounts of Coverage

At its sole expense, Franchisee shall procure within sixty (60) days of the Effective Date, and maintain in full force and effect during the term of this Agreement, the types of insurance listed below, the policies of which, except any workers' compensation insurance, shall expressly name Franchisor as an additional insured or loss payee and each of which shall contain a waiver of all subrogation rights against Franchisor and its successors and assigns. In addition to any other insurance that may be required by applicable law, or by lender or lessor, Franchisee shall procure:

15.1.1 "all risk" property insurance coverage on all assets including inventory, furniture, fixtures, equipment, supplies and other property used in the operation of the Franchised Unit. Franchisee's property insurance policy shall include coverage for fire, vandalism and malicious mischief and must have coverage limits of at least full replacement cost;

15.1.2 workers' compensation insurance that complies with the statutory requirements of the state in which the Franchised Unit is located and employer liability coverage with a minimum limit of ONE HUNDRED THOUSAND DOLLARS (\$100,000.00) or, if higher, the statutory minimum limit as required by state law;

15.1.3 comprehensive general liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in conjunction with

the operation of the Franchised Unit, or Franchisee's conduct of business pursuant to this Agreement, with a minimum liability coverage of ONE MILLION DOLLARS (\$1,000,000.00) per occurrence or, if higher, the statutory minimum limit required by state law;

15.1.4 automobile liability insurance for owned or hired vehicles with a combined single limit of at least ONE MILLION DOLLARS (\$1,000,000.00) or, if higher, the statutory minimum limit required by state law; and

15.1.5 such insurance as necessary to provide coverage under the indemnity provisions set forth in Section 21.2.

15.2 Future Increases

Franchisor has the right to reasonably increase the minimum liability protection requirement annually and require different or additional insurance coverage(s) to reflect inflation, changes in standards of liability, future damage awards or other relevant changes in circumstances.

15.3 Carrier Standards

Such policy or policies shall be written by an insurance company licensed in the state in which Franchisee operates and having at least an "A" Rating Classification as indicated in A.M. Best's Key Rating Guide.

15.4 Evidence of Coverage

Franchisee's obligation to obtain and maintain the foregoing policy or policies shall not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall Franchisee's performance of this obligation relieve it of liability under the indemnity provisions set forth in Section 21.2. Franchisee shall provide, annually, certificates of insurance showing compliance with the foregoing requirements. Such certificate shall state that said policy or policies shall not be canceled or altered without at least thirty (30) days prior written notice to Franchisor and shall reflect proof of payment of premiums.

15.5 Failure to Maintain Coverage

Should Franchisee, for any reason, not procure and maintain insurance coverage as required by this Agreement, Franchisor shall have the right (but not the obligation) to immediately procure such insurance coverage and to charge the premiums to Franchisee which

charges, together with a reasonable fee for expenses incurred by Franchisor in connection with such procurement, shall be payable by Franchisee immediately upon notice.

16. DEFAULT AND TERMINATION

16.1 *This Section Left Intentionally Blank*

16.2 Termination

16.2.1 Franchisor has the right to terminate this Agreement, without any opportunity to cure by Franchisee, if Franchisee:

16.2.1.1 fails to establish and equip the Franchised Unit pursuant to Section 5;

16.2.1.2 fails to satisfactorily complete the training program pursuant to Section 9;

16.2.1.3 made any material misrepresentation or omission in its application for the Franchise or otherwise to Franchisor in the course of entering into this Agreement;

16.2.1.4 is unable to operate a quick food service restaurant, or any other business or other license such as a health permit required by law is suspended or revoked, or otherwise not maintained continuously and actively in full force and effect, and in good standing;

16.2.1.5 is convicted of or pleads no contest to a felony or other crime or offense that is likely to adversely affect the reputation of Franchisor, Franchisee or the Franchised Unit;

16.2.1.6 discloses, duplicates or otherwise uses in an unauthorized manner any portion of the Manual, the Proprietary Ingredients and Trade Secrets of Franchisor or any other Confidential Information;

16.2.1.7 abandons, fails or refuses to actively operate the Franchised Unit for five (5) or more consecutive days, or, if first approved by Franchisor, fails to promptly relocate the Franchised Unit following the expiration or termination of the lease for the Approved Location or the destruction, condemnation or other event rendering the Approved Location unusable;

16.2.1.8 surrenders or transfers control of the operation of the Franchised Unit without Franchisor's approval, makes or attempts to make an unauthorized direct or indirect assignment of the Franchise or an ownership interest in Franchisee, or fails or refuses to assign the Franchise or the interest in Franchisee of a deceased or incapacitated owner thereof, or otherwise transfers its rights, directly or indirectly such as through its shareholders, not in accordance with this Agreement, as herein required;

16.2.1.9 submits to Franchisor on two (2) or more separate occasions at any time during the term of the Franchise any reports or other data, information or supporting records that understate any Royalty Fee or any other fees owed to Franchisor by more than three percent (3%) for any accounting period and Franchisee is unable to demonstrate that such understatements resulted from inadvertent error;

16.2.1.10 is adjudicated as bankrupt, becomes insolvent, commits any affirmative act of insolvency, or files any action or petition of insolvency; if a receiver of its property or any part thereof is appointed by a court; if it makes a general assignment for the benefit of its creditors; if a final judgment against the Franchised Unit remains unsatisfied of record for thirty (30) days or longer (unless *supersedeas* bond is filed); if execution is levied against Franchisee's business or property; if a suit to foreclose any lien or mortgage against its Approved Location or equipment is instituted against Franchisee and not dismissed within thirty (30) days or is not in the process of being dismissed;

16.2.1.11 misuses or makes an unauthorized use of any of the Marks or commits any other act which can reasonably be expected to impair the goodwill associated with any of the Marks;

16.2.1.12 fails on two (2) or more separate occasions within any period of twelve (12) consecutive months to submit reports or other information or supporting records when due, to pay any Royalty Fee, Marketing Fund Contribution, amounts due for purchases from Franchisor, or other payment when due to Franchisor, whether or not such failures to comply are corrected after notice thereof is delivered to Franchisee;

16.2.1.13 continues to violate any health or safety law, ordinance or regulation, or operates the Franchised Unit in a manner that presents a health or safety hazard to its customers, employees or the public; or

16.2.1.14 defaults under any other agreement between Franchisor and Franchisee, such that Franchisor has the right to terminate such agreement or such agreement automatically terminates.

16.2.2 Except as otherwise provided in Section 16.2.1, upon any other default by Franchisee or upon Franchisee's failure to comply with any mandatory specification, standard or operating procedure prescribed in the Manual or otherwise prescribed in writing, Franchisor has the right to terminate this Agreement by giving notice of such termination at least thirty (30) days before the effective date of the termination stating the nature of the default; provided, however, that Franchisee may avoid termination by curing such default or failure before the effective date of termination, or provide proof acceptable to Franchisor that Franchisee has made all reasonable efforts to cure such default or failure and shall continue to make all reasonable efforts to cure until a cure is effected if such default or failure cannot reasonably be cured before the effective date of the termination.

16.3 Reinstatement and Extension

If provisions of this Agreement provide for periods of notice less than those required by applicable law, or provide for termination, cancellation or nonrenewal other than in accordance with applicable law, Franchisor may reinstate or extend the term of this Agreement for the purpose of complying with applicable law by submitting a written notice to Franchisee without waiving any of Franchisor's rights under this Agreement.

16.4 Right of Franchisor to Discontinue Sales to Franchisee

If Franchisor delivers to Franchisee a notice of termination pursuant to Section 16.2.2, in addition to Franchisor's other remedies, Franchisor reserves the right to discontinue selling to Franchisee any services or products for which they are Approved Suppliers until such time as Franchisee corrects the default.

17. RIGHTS AND DUTIES UPON EXPIRATION OR TERMINATION

17.1 Actions to Be Taken

Except as otherwise provided herein, upon termination or expiration, this Agreement and all rights granted hereunder to Franchisee shall terminate and Franchisee shall:

17.1.1 immediately cease to operate the Franchised Unit and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of Franchisor, and the Franchisee shall act immediately and at its expense to

remove any sign, design, symbol or mark bearing the brand name and shall cease any advertisement using the brand name or any other Brand Rights;

17.1.2 cease to use the Confidential Information, the System and the Marks including, without limitation, all signs, slogans, symbols, logos, advertising materials, Proprietary Ingredients and Trade Secrets of Franchisor, stationery, forms and any other items which display or are associated with the Marks;

17.1.3 upon demand by Franchisor, at Franchisor's sole discretion, immediately assign (or, if an assignment is prohibited, sublease for the full remaining term, and on the same terms and conditions as Franchisee's lease), its interest in the lease then in effect for the Approved Location to Franchisor and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within thirty (30) days after termination or expiration of this Agreement, and Franchisor has the right to pay rent and other expenses directly to the party to whom such payment is ultimately due;

17.1.4 take such action as may be necessary to cancel or assign to Franchisor, at Franchisor's option, any assumed name or equivalent registration filed with state, city or county authorities which contains the name "Wok to Walk" or any other Mark, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within thirty (30) days after termination or expiration of this Agreement;

17.1.5 pay all sums owing to Franchisor which may include, but not be limited to, all damages, costs and expenses, including reasonable attorneys' fees, unpaid Royalty Fees, and any other amounts due to Franchisor;

17.1.6 pay to Franchisor all costs and expenses, including reasonable attorneys' fees, incurred by Franchisor subsequent to the termination or expiration of the Franchise in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement;

17.1.7 immediately return to Franchisor the Manual, all inventory with any Trade Secrets, Proprietary Ingredients of Franchisor, recipes and all other Confidential Information including records, files, instructions, brochures, agreements, disclosure statements and any and all other materials provided by Franchisor to Franchisee relating to the operation of the Franchised Unit (all of which are acknowledged to be Franchisor's property);

17.1.8 assign all telephone listings and numbers for the Franchised Unit to Franchisor and shall notify the telephone company and all listing agencies of the termination or expiration of Franchisee's right to use any telephone numbers or facsimile numbers associated with the Marks in any regular, classified or other telephone directory listing and shall authorize transfer of same to or at the direction of Franchisor; and

17.1.9 comply with all other applicable provisions of this Agreement.

17.2 Post-Termination Covenant Not to Compete

17.2.1 Franchisee acknowledges that the restrictive covenants contained in this Section are fair and reasonable and are justifiably required for purposes including, but not limited to, the following:

17.2.1.1 to protect the trade secrets of Franchisor;

17.2.1.2 to induce Franchisor to grant a franchise to Franchisee; and

17.2.1.3 to protect Franchisor against its costs in training Franchisee and its officers, directors, executives, professional staff and Designated Managers.

17.2.2 Except as otherwise approved of in writing by Franchisor, neither Franchisee, nor any holder of a legal or beneficial interest in Franchisee, nor any officer, director, executive, manager or member of the professional staff of Franchisee, shall, for a period of two (2) years after the expiration or termination of this Agreement, regardless of the cause of termination, either directly or indirectly, for themselves or through, on behalf of or in conjunction with, any person, persons, partnership, corporation, limited liability company or other business entity:

17.2.2.1 own an interest in, manage, operate or provide services to any Competitive Business located or operating (a) within a five (5) mile radius of the Approved Location or (b) within a five (5) mile radius of the location of any other Wok to Walk Unit in existence at the time of termination or expiration; or

17.2.2.2 solicit or otherwise attempt to induce or influence any employee or other business associate of Franchisor to terminate or modify his, her or its business relationship with Franchisor or to compete against Franchisor.

17.2.3 In furtherance of this Section, Franchisor has the right to require certain individuals to execute standard form nondisclosure or non-competition agreements as provided in Section 7.4.

17.3 Unfair Competition

If Franchisee operates any other business, Franchisee shall not use any reproduction, counterfeit, copy or colorable imitation of the Marks, either in connection with such other business or the promotion thereof, that is likely to cause confusion, mistake or deception, or that is likely to dilute Franchisor's rights in the Marks. Franchisee shall not utilize any designation of origin, description or representation that falsely suggests or represents an association or connection with Franchisor. This Section is not intended as an approval of Franchisee's right to operate other businesses and in no way is it intended to contradict Section 17.1 or 17.2. If Franchisor elects not to receive an assignment or sublease of the Approved Location, Franchisee shall make such modifications or alterations to the Approved Location (including changing telephone and facsimile numbers) immediately upon termination or expiration of this Agreement as may be necessary to prevent any association between Franchisor or the System and any business subsequently operated by Franchisee or others at the Approved Location. Franchisee shall make such specific additional changes to the Approved Location as Franchisor may reasonably request for that purpose including, without limitation, removal of all physical and structural features identifying or distinctive to the System. If Franchisee fails or refuses to comply with the requirements of this Section, Franchisor has the right to enter upon the Approved Location for the purpose of making or causing to be made such changes as may be required, at the expense of Franchisee, which expense Franchisee shall pay upon demand.

17.4 Franchisor's Option to Purchase Certain Business Assets

Franchisor has the right (but not the duty), for a period of thirty (30) days after termination or expiration of this Agreement, to purchase any or all assets of the Franchised Unit including leasehold improvements, equipment, supplies and other inventory. The purchase price shall be equal to the assets' fair market value, excluding any goodwill. If Franchisor elects to exercise this option to purchase, it has the right to set off all amounts due from Franchisee under this Agreement, if any, against the purchase price. If Franchisor and Franchisee cannot agree on a fair market value, an independent appraiser selected by Franchisor will determine the fair market value.

17.5 Survival of Certain Provisions

All obligations of Franchisor and Franchisee which expressly or by their nature survive the expiration or termination of this Agreement shall continue in full force and effect

subsequent to and notwithstanding expiration or termination, and until satisfied or by their nature expire.

18. TRANSFERABILITY OF INTEREST

18.1 Transfer by Franchisor

This Agreement and all rights and duties hereunder are fully transferable in whole or in part by Franchisor and such rights will inure to the benefit of any person or entity to whom transferred; provided, however, that with respect to any assignment resulting in the subsequent performance by the assignee of the functions of Franchisor, the assignee shall assume the obligations of Franchisor hereunder and Franchisor shall thereafter have no liability for the performance of any obligations contained in this Agreement.

18.2 Transfer by Franchisee to a Third Party

The rights and duties of Franchisee as set forth in this Agreement, and the Franchise herein granted, are personal to Franchisee (or its owners), and Franchisor has entered into this Agreement in reliance upon Franchisee's personal or collective skill and financial ability. Accordingly, neither Franchisee nor any holder of a legal or beneficial interest in Franchisee may sell, assign, convey, give away, pledge, mortgage, sublicense or otherwise transfer, whether by operation of law or otherwise, any interest in this Agreement, the Franchise granted hereby, the Approved Location used in operating the Franchised Unit, its assets or any part or all of the ownership interest in Franchisee without the prior written approval of Franchisor. Any purported transfer without such approval shall be null and void and shall constitute a material breach of this Agreement. If Franchisee is in compliance with this Agreement, Franchisor's consent to such transfer shall be conditioned upon the satisfaction of the following requirements:

18.2.1 Franchisee has complied with the requirements set forth in Section 19;

18.2.2 all obligations owed to Franchisor, and all other outstanding obligations relating to the Franchised Unit, are fully paid and satisfied;

18.2.3 Franchisee (and any transferring owners, if Franchisee is a business entity) has executed a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor, including its officers, directors, shareholders and employees, in their corporate and individual capacities including, without limitation, claims arising under federal, state or local laws, rules or ordinances, and any other matters incident to the termination of this Agreement or to the transfer of Franchisee's interest herein or to

the transfer of Franchisee's ownership of all or any part of the Franchise; provided, however, that if a general release is prohibited, Franchisee shall give the maximum release allowed by law;

18.2.4 the prospective transferee has satisfied Franchisor that it meets Franchisor's management, business and financial standards, and otherwise possesses the character and capabilities, including business reputation and credit rating, as Franchisor may require in its sole discretion, to demonstrate ability to conduct the Franchised Unit;

18.2.5 the transferee and, if Franchisor requires, all persons owning any interest in the transferee, have executed the then-current Franchise Agreement for new franchisees, which may be substantially different from this Agreement, including different Royalty Fee and Marketing Fund Contribution rates and other material provisions, and the franchise agreement then executed shall be for the term specified in such agreement;

18.2.6 the transferee has executed a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its officers, directors, shareholders and employees, in their corporate and individual capacities, with respect to any representations regarding the Franchise or the business conducted pursuant thereto or any other matter that may have been made to the transferee by Franchisee;

18.2.7 Franchisee has provided Franchisor with a complete copy of all contracts and agreements and related documentation between Franchisee and the prospective transferee relating to the intended sale or transfer of the Franchise;

18.2.8 Franchisee, or the transferee, has paid to Franchisor a transfer fee in the amount of SEVEN THOUSAND FIVE HUNDRED DOLLARS (\$7,500.00);

18.2.9 the transferee, or all holders of a legal or beneficial interest in the transferee, has agreed to be personally bound jointly and severally by all provisions of this Agreement for the remainder of its term;

18.2.10 Franchisee has agreed to be bound to the obligations of the new franchise agreement and to guarantee the full performance thereof by the transferee, if required by Franchisor;

18.2.11 the transferee has obtained all necessary consents and approvals by third parties (such as the lessor of the Approved Location) and all applicable federal, state and local laws, rules, ordinances and requirements applicable to the transfer have been complied with or satisfied;

18.2.12 Franchisee has, and if Franchisee is an entity, all of the holders of a legal and beneficial interest in Franchisee have, executed and delivered to Franchisor a nondisclosure and non-competition agreement in a form satisfactory to Franchisor, and in substance the same as the nondisclosure and non-competition covenants contained in Sections 7.4 and 17.2.3; and

18.2.13 prior to assuming the management of the day to day operation of the Franchised Unit, the transferee's Designated Manager shall complete, to Franchisor's satisfaction, a training program in substance similar to the initial training described in Section 9.

18.3 Transfer to a Controlled Entity

18.3.1 If Franchisee wishes to transfer this Agreement or any interest herein to a corporation, limited liability company or other legal entity which shall be entirely owned by Franchisee ("Controlled Entity"), which Controlled Entity is being formed for the financial planning, tax or other convenience of Franchisee, Franchisor's consent to such transfer shall be conditioned upon the satisfaction of the following requirements:

18.3.1.1 the Controlled Entity is newly organized and its charter provides that its activities are confined exclusively to the operation of the Franchised Unit;

18.3.1.2 Franchisee or all holders of a legal or beneficial interest in Franchisee own all of the equity and voting power of the outstanding stock or other capital interest in the Controlled Entity;

18.3.1.3 all obligations of Franchisee to Franchisor are fully paid and satisfied; provided, however, that neither Franchisee nor the transferee shall be required to pay a transfer fee, as required, pursuant to Section 18.2.8;

18.3.1.4 the Controlled Entity has entered into a written agreement with Franchisor expressly assuming the obligations of this Agreement and all other agreements relating to the operation of the Franchised Unit. If the consent of any other party to any such other agreement is required, Franchisee has obtained such written consent and provided the same to Franchisor prior to consent by Franchisor;

18.3.1.5 all holders of a legal or beneficial interest in the Controlled Entity have entered into an agreement with Franchisor jointly and severally guaranteeing the full

payment of the Controlled Entity's obligations to Franchisor and the performance by the Controlled Entity of all the obligations of this Agreement;

18.3.1.6 each stock certificate or other ownership interest certificate of the Controlled Entity has conspicuously endorsed upon the face thereof of a statement in a form satisfactory to Franchisor that it is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon transfers and assignments by this Agreement; and

18.3.1.7 copies of the Controlled Entity's articles of incorporation, bylaws, operating agreement, and other governing regulations or documents, including resolutions of the board of directors authorizing entry into this Agreement, have been promptly furnished to Franchisor. Any amendment to any such documents shall also be furnished to Franchisor immediately upon adoption.

18.3.2 The term of the transferred franchise shall be the unexpired term of this Agreement.

18.3.3 Franchisor's consent to a transfer of any interest in this Agreement, or of any ownership interest in the Franchised Unit, shall not constitute a waiver of any claims Franchisor may have against the transferor or the transferee, nor shall it be deemed a waiver of Franchisor's right to demand compliance with the terms of this Agreement.

18.4 Franchisor's Disclosure to Transferee

Franchisor has the right, without liability of any kind or nature whatsoever to Franchisee, to make available for inspection by any intended transferee of Franchisee all or any part of Franchisor's records relating to this Agreement, the Franchised Unit or to the history of the relationship of the parties hereto. Franchisee hereby specifically consents to such disclosure by Franchisor and shall release and hold Franchisor harmless from and against any claim, loss or injury resulting from an inspection of Franchisor's records relating to the Franchised Unit by an intended transferee identified by Franchisee.

18.5 For Sale Advertising

Franchisee shall not, without prior written consent of Franchisor, place in, on or upon the location of the Franchised Unit, or in any communication media, any form of advertising relating to the sale of the Franchised Unit or the rights granted hereunder.

18.6 Transfer by Death or Incapacity

Upon the death or incapacity (as determined by a court of competent jurisdiction) of any individual Franchisee or any holder of a legal or beneficial interest in Franchisee, the appropriate representative of such person (whether administrator, personal representative or trustee) will, within a reasonable time not exceeding one hundred eighty (180) days following such event, transfer such individual's interest in the Franchised Unit or in Franchisee to a third party approved by Franchisor. Such transfers, including transfers by will or inheritance shall be subject to the conditions for assignments and transfers contained in this Agreement. During that one hundred eighty (180) day period, the Franchised Unit must be under the primary supervision of a Designated Manager who otherwise meets Franchisor's management qualifications.

19. RIGHT OF FIRST REFUSAL

19.1 Submission of Offer

If Franchisee, or any of its owners, proposes to sell the Franchised Unit (or any of its assets outside of the normal course of business), any ownership interest in Franchisee or any ownership interest in the Franchise granted hereunder, Franchisee shall obtain and deliver a *bona fide*, executed written offer or proposal to purchase, along with all pertinent documents including any contract or due diligence materials, to Franchisor. The offer must apply only to an approved sale of the assets or interests listed above and may not include any other property or rights of Franchisee or any of its owners.

19.2 Franchisor's Right to Purchase

Franchisor shall, for thirty (30) days from the date of delivery of all such documents, have the right, exercisable by written notice to Franchisee, to purchase the offered assets or interest for the price and on the same terms and conditions contained in such offer communicated to Franchisor. Franchisor has the right to substitute cash for the fair market value of any form of payment proposed in such offer. Franchisor's credit shall be deemed at least equal to the credit of any proposed buyer. After providing notice to Franchisee of Franchisor's intent to exercise this right of first refusal, Franchisor shall have up to sixty (60) days to close the purchase. Franchisor shall be entitled to receive from Franchisee all customary representations and warranties given by Franchisee as the seller of the assets or such ownership interest or, at Franchisor's election, such representations and warranties contained in the proposal.

19.3 Non-Exercise of Right of First Refusal

If Franchisor does not exercise this right of first refusal within thirty (30) days, the offer or proposal may be accepted by Franchisee or any of its owners, subject to Franchisor's prior written approval as required by Section 18.2. Should the sale fail to close within one hundred

twenty (120) days after the offer is delivered to Franchisor, Franchisor's right of first refusal shall renew and be implemented in accordance with this Section.

20. BENEFICIAL OWNERS OF FRANCHISEE

Franchisee represents, and Franchisor enters into this Agreement in reliance upon such representation, that the individuals identified in Exhibit E as Holders of a Legal or Beneficial Interest, each of whom have executed the supplemental signature page below with respect to his or her individual obligations under this Agreement, are the sole holders of a legal or beneficial interest (in the stated proportions) of Franchisee.

21. RELATIONSHIP AND INDEMNIFICATION

21.1 Independent Contractor

Franchisee is and shall be an independent contractor. Franchisee is not an agent, legal representative, joint venturer, partner, employee or servant of Franchisor for any purpose whatsoever. Franchisee may not represent or imply to third parties that Franchisee is an agent of Franchisor, and Franchisee is in no way authorized to make any contract, agreement, warranty or representation on behalf of Franchisor, or to create any obligation, express or implied, on Franchisor's behalf. During the term of this Agreement, and any extension or renewal hereof, Franchisee shall hold itself out to the public as an independent contractor operating the Franchised Unit pursuant to a franchise from Franchisor. Franchisee shall take such affirmative action as may be necessary to do so including, without limitation, exhibiting a notice of that fact in a conspicuous place on the Approved Location and on all forms, stationery or other written materials, the content of which Franchisor has the right to specify. Under no circumstances shall Franchisor be liable for any act, omission, neither contract, debt nor any other obligation of Franchisee. Franchisor shall in no way be responsible for any injuries to persons or property resulting from the operation of the Franchised Unit.

21.2 Indemnification

Franchisee shall hold harmless and indemnify Franchisor, all holders of a legal or beneficial interest in Franchisor and all officers, directors, executives, managers, employees, agents, successors and assigns (collectively "Franchisor Indemnitees") from and against all losses, damages, fines, costs, expenses or liability (including attorneys' fees and all other costs of litigation) incurred in connection with any action, suit, demand, claim, investigation or proceeding, or any settlement thereof, which arises from or is based upon Franchisee's (a) ownership or operation of the Franchised Unit; (b) violation, breach or asserted violation or breach of any federal, state or local law, regulation or rule; (c) breach of any representation, warranty,

covenant, or provision of this Agreement or any other agreement between Franchisee and Franchisor; (d) defamation of Franchisor or the System; (e) acts, errors or omissions committed or incurred in connection with the Franchised Unit, including any negligent or intentional acts; or (f) infringement, violation or alleged infringement or violation of any Mark, patent or copyright or any misuse of the Confidential Information.

21.3 Right to Retain Counsel

Franchisee shall give Franchisor immediate notice of any such action, suit, demand, claim, investigation or proceeding that may give rise to a claim for indemnification by a Franchisor Indemnitee. Franchisor has the right to retain counsel of its own choosing in connection with any such action, suit, demand, claim, investigation or proceeding. In order to protect persons, property, Franchisor's reputation or the goodwill of others, Franchisor has the right to, at any time without notice, take such remedial or corrective actions as it deems expedient with respect to any action, suit, demand, claim, investigation or proceeding if, in Franchisor's sole judgment, there are grounds to believe any of the acts or circumstances listed above have occurred. If Franchisor's exercise of its rights under this Section causes any of Franchisee's insurers to refuse to pay a third-party claim, all cause of action and legal remedies Franchisee might have against such insurer shall automatically be assigned to Franchisor without the need for any further action on either party's part. Under no circumstances shall Franchisor be required or obligated to seek coverage from third parties or otherwise mitigate losses in order to maintain a claim against Franchisee. The failure to pursue such remedy or mitigate such loss shall in no way reduce the amounts recoverable by Franchisor from Franchisee.

22. GENERAL CONDITIONS AND PROVISIONS

22.1 No Waiver

No failure of Franchisor to exercise any power reserved to it hereunder, or to insist upon strict compliance by Franchisee with any obligation or condition hereunder, and no custom nor practice of the parties in variance with the terms hereof, shall constitute a waiver of Franchisor's right to demand exact compliance with the terms of this Agreement. Waiver by Franchisor of any particular default by Franchisee shall not be binding unless in writing and executed by Franchisor and shall not affect nor impair Franchisor's right with respect to any subsequent default of the same or of a different nature. Subsequent acceptance by Franchisor of any payment(s) due shall not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any terms, covenants or conditions of this Agreement.

22.2 Injunctive Relief

As any breach by Franchisee of any of the restrictions contained in Sections 6, 7 and 17 would result in irreparable injury to Franchisor, and as the damages arising out of any such breach would be difficult to ascertain, in addition to all other remedies provided by law or in equity, Franchisor shall be entitled to seek injunctive relief (whether a restraining order, a preliminary injunction or a permanent injunction) against any such breach, whether actual or contemplated.

22.3 Notices

All notices required or permitted under this Agreement shall be in writing and shall be deemed received: (a) at the time delivered by hand to the recipient party (or to an officer, director or partner of the recipient party); (b) on the next business day after transmission by facsimile or other reasonably reliable electronic communication system; (c) two (2) business days after being sent via guaranteed overnight delivery by a commercial courier service; or (d) five (5) business days after being sent by Registered Mail, return receipt requested. All notices shall be sent to Franchisee at the address listed on page one (1) of this Agreement, or such other address as Franchisee may designate in writing to Franchisor. All notices, payments and reports required by this Agreement shall be sent to Franchisor at the following address:

**WTW US FRANCHISE
SYSTEMS LLC**
6 West Railroad Ave., Second Floor
Tenafly, New Jersey 07670

With a copy to:
Raymond T. McKenzie, Esq.
9841 Washingtonian Blvd., Suite 200
Gaithersburg, MD 20878

22.4 Cost of Enforcement or Defense

If Franchisor or Franchisee is required to enforce this Agreement in a judicial proceeding, the prevailing party shall be entitled to reimbursement of its costs, including reasonable accounting and attorneys' fees and expenses, in addition to any other relief to which it is found entitled.

22.5 Guaranty and Assumption of Obligations

All holders of a legal or beneficial interest in Franchisee of five percent (5%) or greater, and each holder's spouse, shall be required to execute, as of the date of this Agreement,

the Guaranty and Assumption of Obligations attached as Exhibit A, through which such holders and spouses agree to assume and discharge all of Franchisee's obligations under this Agreement and to be personally liable hereunder for all of the same.

22.6 Approvals

Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor therefore and, except as otherwise provided herein, any approval or consent granted shall be effective only if in writing. Franchisor makes no warranties nor guarantees upon which Franchisee may rely, and assumes no liability nor obligation to Franchisee or any third party to which it would not otherwise be subject, by providing any waiver, approval, advice, consent or services to Franchisee in connection with this Agreement, or by reason of any neglect, delay or denial of any request therefore.

22.7 Entire Agreement

This Agreement, its exhibits and the documents referred to herein shall be construed together and constitute the entire, full and complete agreement between Franchisor and Franchisee concerning the subject matter hereof, and shall supersede all prior agreements. No other representation, oral or otherwise, has induced Franchisee to execute this Agreement, and there are no representations (other than those within Franchisor's Franchise disclosure document), inducements, promises or agreements, oral or otherwise, between the parties not embodied herein, which are of any force or effect with respect to the matters set forth in or contemplated by this Agreement or otherwise. No amendment, change or variance from this Agreement shall be binding on either party unless executed in writing by both parties. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

22.8 Severability and Modification

22.8.1 Except as noted below, each paragraph, part, term and provision of this Agreement shall be considered severable, and if any paragraph, part, term or provision herein is ruled to be unenforceable, unreasonable or invalid, such ruling shall not impair the operation of or affect the remaining portions, paragraphs, parts, terms and provisions of this Agreement, and the latter shall continue to be given full force and effect and bind the parties; and such unenforceable, unreasonable or invalid paragraphs, parts, terms or provisions shall be deemed not part of this Agreement; provided, however, that if Franchisor determines that a finding of invalidity adversely affects the basic consideration of this Agreement, Franchisor has the right to, at its

option, terminate this Agreement. Anything to the contrary notwithstanding, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisor or Franchisee, and their respective successors and assigns as may be contemplated by this Agreement, any rights or remedies under this Agreement.

22.8.2 Notwithstanding the above, each of the covenants contained in Sections 7 and 17 shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of any such covenant is held to be unenforceable, unreasonable or invalid, then it shall be amended to provide for limitations on disclosure of Confidential Information or on competition to the maximum extent provided or permitted by law.

22.9 Construction

All captions herein are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

22.10 Force Majeure

Whenever a period of time is provided in this Agreement for either party to do or perform any act or thing, except the payment of monies neither party shall be liable nor responsible for any delays due to strikes, lockouts, casualties, acts of God, war, governmental regulation or control or other causes beyond the reasonable control of the parties, and in any event said time period for the performance of an obligation hereunder shall be extended for the amount of time of the delay. This provision shall not apply nor result in an extension of the term of this Agreement.

22.11 Timing

Time is of the essence; except as set forth in Section 22.10, failure to perform any act within the time required or permitted by this Agreement shall be a material breach.

22.12 Withholding Payments

Franchisee shall not, for any reason, withhold payment of any Royalty Fees or other amounts due to Franchisor. Franchisee shall not withhold or offset any amounts, damages or other monies allegedly due to Franchisee against any amounts due to Franchisor. No endorsement or statement on any payment for less than the full amount due to Franchisor will be construed as an acknowledgment of payment in full, or an accord and satisfaction, and

Franchisor has the right to accept and cash any such payment without prejudice to Franchisor's right to recover the full amount due, or pursue any other remedy provided in this Agreement or by law. Franchisor has the right to apply any payments made by Franchisee against any of Franchisee's past due indebtedness as Franchisor deems appropriate. Franchisor shall set off sums Franchisor owes to Franchisee against any unpaid debts owed by Franchisee to Franchisor.

22.13 Further Assurances

Each party to this Agreement will execute and deliver such further instruments, contracts, forms or other documents, and will perform such further acts, as may be necessary or desirable to perform or complete any term, covenant or obligation contained in this Agreement.

22.14 Duty of Reasonableness and of Good Faith

To honor the intent and purpose of this Agreement, and any of the documents referenced herein, both Franchisor and Franchisee shall act reasonably and in good faith. If the consent of either party is required or contemplated hereunder, the party whose consent is required shall not unreasonably withhold consent, unless such consent is expressly subject to such party's sole discretion pursuant to the terms of this Agreement. In any case, and notwithstanding anything stated in this Agreement, to the extent permissible by law, Franchisor ~~Wok to Walk~~ shall not be liable with relation to this Agreement or the Franchise Unit unless and to the extent that its actions were fraudulent.

22.15 Multiple Originals

Both parties will execute multiple copies of this Agreement, and each executed copy will be deemed an original.

23. DISPUTE RESOLUTION

23.1 Choice of Law

Except to the extent this Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 or other federal law, this Agreement shall be governed by and construed in accordance with the laws of the State of Delaware (without reference to its conflict of laws principles), excluding any law regulating the sale of franchises or governing the relationship between a franchisor and franchisee, unless the jurisdictional requirements of such laws are met independently without reference to this Section. References to any law refer also to any successor laws and to any published regulations for such law, as in effect at the relevant

time. References to a governmental agency also refer to any regulatory body that succeeds the function of such agency.

23.2 Consent to Jurisdiction

Any action brought by either party shall be brought in the appropriate state or federal court located in or serving the state of New York. The parties waive all questions of personal jurisdiction or venue for the purposes of carrying out this provision. The parties hereby submit to service of process by registered mail, return receipt requested, or by any other manner provided by law. Claims for injunctive relief may be brought by Franchisor where Franchisee is located. This exclusive choice of jurisdiction and venue provision shall not restrict the ability of the parties to confirm or enforce judgments in any appropriate jurisdiction.

23.3 Cumulative Rights and Remedies

No right or remedy conferred upon or reserved to Franchisor or Franchisee by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be in addition to every other right or remedy. Nothing contained herein shall bar Franchisor's right to obtain injunctive relief against threatened conduct that may cause it loss or damages, including obtaining restraining orders and preliminary and permanent injunctions.

23.4 Limitations of Claims

Any claim concerning the Franchised Unit or this Agreement or any related agreement will be barred unless an action for a claim is commenced within one (1) year from the date on which Franchisee or Franchisor knew or should have known, in the exercise of reasonable diligence, of the facts giving rise to the claim.

23.5 Waiver of Jury Trial

Franchisee and Franchisor each irrevocably waive trial by jury in any action, whether at law or equity, brought by either of them.

23.6 Limitation of Damages

Franchisee and Franchisor each waive, to the fullest extent permitted by law, any right or claim for any punitive or exemplary damages against the other, and agree that if there is a dispute with the other, each will be limited to the recovery of actual damages sustained by it including reasonable accounting and legal fees as provided in Section 22.4. Franchisee waives

and disclaims any right to consequential damages in any action or claim against Franchisor concerning this Agreement or any related agreement. In any claim or action brought by Franchisee against Franchisor concerning this Agreement, Franchisee's contract damages shall not exceed and shall be limited to refund of Franchisee's Franchise Fee and Royalty Fee payments.

24. ACKNOWLEDGMENTS

24.1 Receipt of this Agreement and the Franchise Disclosure Document

Franchisee represents and acknowledges that it has received, read and understands this Agreement and Franchisor's Franchise Disclosure Document; and that Franchisor has accorded Franchisee ample time and opportunity to consult with advisors of its own choosing about the potential benefits and risks of entering into this Agreement. Franchisee represents and acknowledges that it has received an exact copy of this Agreement and its exhibits at least five (5) business days prior to the date on which this Agreement was executed. Franchisee further represents and acknowledges that it has received, at least ten (10) business days prior to the date on which this Agreement was executed, the disclosure document required by the Trade Regulation Rule of the Federal Trade Commission entitled Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures.

24.2 Consultation by Franchisee

Franchisee represents that it has been urged to consult with its own advisors with respect to the legal, financial and other aspects of this Agreement, the business franchised hereby and the prospects for that business. Franchisee represents that it has either consulted with such advisors or has deliberately declined to do so.

24.3 Risk

Franchisee represents that it has conducted an independent investigation of the business contemplated by this Agreement and acknowledges that, like any other business, an investment in a Wok to Walk Unit involves business risks and that the success of the venture is dependent, among other factors, upon the business abilities and efforts of Franchisee. Franchisor makes no representations or warranties, express or implied, in this Agreement or otherwise, as to the potential success of the business venture contemplated hereby.

24.4 No Guarantee of Success

Franchisee represents and acknowledges that it has not received or relied on any guarantee, express or implied, as to the revenues, profits or likelihood of success of the Franchised Unit. Franchisee represents and acknowledges that there have been no representations by Franchisor's directors, employees or agents that are not contained in, or are inconsistent with, the statements made in the Franchise Disclosure Document or this Agreement.

24.5 No Violation of Other Agreements

Franchisee represents that its execution of this Agreement will not violate any other agreement or commitment to which Franchisee or any holder of a legal or beneficial interest in Franchisee is a party.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby have duly executed this Agreement.

WTW US FRANCHISE SYSTEMS LLC:

By: _____

Name: _____

Title: _____

FRANCHISEE: _____
(type/print name)

By: _____

Name: _____

Title: _____
[or] [if an individual]

Signed: _____

Name printed: _____

[SUPPLEMENTAL SIGNATURE PAGE FOLLOWS]

The following have duly executed this Agreement with respect to, and agree to be personally bound by, the obligations contained in this Agreement including, without limitation, those contained in Sections 7, 17, 18, 20 and 21:

Signed:_____

Name printed:_____

Relationship to Franchisee:_____

Signed:_____

Name printed:_____

Relationship to Franchisee:_____

Signed:_____

Name printed:_____

Relationship to Franchisee:_____

Signed:_____

Name printed:_____

Relationship to Franchisee:_____

Signed:_____

Name printed:_____

Relationship to Franchisee:_____

EXHIBIT A TO THE FRANCHISE AGREEMENT

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given this ___ day of _____, 20__, by _____ and _____(collectively "Guarantors").

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement of even date herewith ("Agreement") by **WTW US FRANCHISE SYSTEMS LLC** ("Franchisor"), each of the undersigned hereby personally and unconditionally (a) guarantees to Franchisor and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that _____ ("Franchisee") shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and (b) shall personally be bound by, and personally liable for the breach of each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities including, without limitation, the provisions of Section 7. Each of the undersigned waives: (a) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (d) any right it may have to require that an action be brought against Franchisee or any other person as a condition of liability; and (e) any and all other notices and legal or equitable defenses to which it may be entitled.

Each of the undersigned consents and agrees that: (a) its direct and immediate liability under this Guaranty shall be joint and several; (b) it shall render any payment or performance required under the Agreement upon demand; (c) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and (d) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which 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 shall in any way modify or amend this Guaranty, which shall be continuing and irrevocable during the term of the Agreement, and so long as any obligation is or may be owed under the Franchise Agreement or any other agreement with Franchisor or so long as Franchisor may have any cause of action against the undersigned or Franchisee.

IN WITNESS WHEREOF, this Guaranty has been entered into the day and year first before written.

PERSONAL GUARANTOR

Personally and Individually (Printed Name)

Personally and Individually (Signature)

HOME ADDRESS

TELEPHONE NO.: _____
PERCENTAGE OF OWNERSHIP
IN FRANCHISEE: ____%

PERSONAL GUARANTOR

Personally and Individually (Printed Name)

Personally and Individually (Signature)

HOME ADDRESS

TELEPHONE NO.: _____
PERCENTAGE OF OWNERSHIP
IN FRANCHISEE: ____%

**HOLDERS OF LEGAL OR BENEFICIAL INTEREST
IN FRANCHISEE; OFFICERS, DIRECTORS**

EXHIBIT D TO THE FRANCHISE DISCLOSURE DOCUMENT

WTW US FRANCHISE SYSTEMS LLC

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OF OPERATIONS MANUAL**

OPERATIONS MANUAL

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- * Franchisee Reports & Procedures: page 33
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EXHIBIT E TO THE FRANCHISE DISCLOSURE DOCUMENT

WTW US FRANCHISE SYSTEMS LLC

AUDITED FINANCIAL STATEMENTS

WTW US FRANCHISE SYSTEMS LLC

UNAUDITED FINANCIAL STATEMENTS

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

WTW Franchise Systems LLC

Profit and Loss

January - February, 2023

	TOTAL
Income	
Initial Franchise Fee License	3.033,34
Initial Franchise Fee Services	16.500,00
Royalties	5.462,93
Total Income	24.996,27 \$
GROSS PROFIT	24.996,27 \$
Expenses	
Commissions and fees	70,00
Legal and professional fees	200,00
Total Expenses	270,00 \$
Other Expenses	
Unrealised Gain or Loss	0,00
Total Other Expenses	0,00 \$
NET EARNINGS	24.726,27 \$

WTW Franchise Systems LLC

Balance Sheet

As of February 28, 2023

	TOTAL
Assets	
Current Assets	
Accounts receivable	
Accounts Receivable (A/R)	5.462,93
Total Accounts receivable	5.462,93 \$
Cash and cash equivalents	0,00
SMBC	429.581,37
Prepaid Expenses- Taxes	0,00
Unbilled Revenue	-0,01
Undeposited Funds	0,00
Total Current Assets	435.044,29 \$
Long-term assets	
Deferred tax assets	63.830,00
Total long-term assets	63.830,00
Total Assets	498.874,29 \$
Liabilities and shareholder's equity	
Current liabilities:	
Accounts payable	
Accounts Payable (A/P)	100,00
Total Accounts payable	100,00 \$
Accrued liabilities	8.650,00
Deferred Revenue	0,00
Deferred Revenue Licenses	12.916,74
Deferred Revenue Services	0,00
Income tax payable	19.593,11
Other Payables	3.591,75
Total current liabilities	44.851,60 \$
Non-current liabilities:	
Deferred Revenue Licenses LT	73.124,82
Deferred Revenue Services LT	198.000,00
Total non-current liabilities	271.124,82 \$
Shareholders' equity:	
Net Income	24.726,27
Retained Earnings	108.171,60
Share capital	50.000,00
Total shareholders' equity	182.897,87 \$
Total liabilities and equity	498.874,29 \$



New York City
1560 Broadway, Suite 1111
New York, NY 10036

New Jersey
400 Tenaally Road, Unit 466
Tenafly, NJ 07670

AUDITOR'S CONSENT

As independent certified public accountants, we hereby consent to the use in the Franchise Disclosure Document issued by WTW US Franchise Systems LLC on April 1, 2023, as it may be amended, of our report dated March 27, 2023, relating to the financial statements of WTW US Franchise Systems LLC for the periods ending December 31, 2022 and December 31, 2021. This consent should not be regarded as in any way updating the aforementioned report or representing that we performed any procedures subsequent to the date of such report.

Yehezkel CPA LLC
New York, NY

Dated: March 30, 2023

**WTW US FRANCHISE SYSTEMS, LLC
FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

WTW US FRANCHISE SYSTEMS, LLC
FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Shareholders
of WTW US Franchise Systems, LLC

Opinion

We have audited the accompanying financial statements of WTW US Franchise Systems, LLC (the "Company"), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of operations, changes in member's interest, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WTW US Franchise Systems, LLC as of December 31, 2022 and 2021 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audits of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.



New York City
1560 Broadway, Suite 1111
New York, NY 10036

New Jersey
400 Tenaflly Road, Unit 466
Tenaflly, NJ 07670

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control related matters that we identified during the audits.

Yehezkel CPA LLC
New York, NY
March 27, 2023

WTW US FRANCHISE SYSTEMS, LLC
STATEMENTS OF FINANCIAL POSITION

	As of December 31,	
	2022	2021
ASSETS:		
Current assets:		
Cash	\$ 422,761	\$ 362,638
Accounts receivable	-	5,000
Unbilled receivable	7,041	2,963
Prepaid expense	-	7,840
Total current assets	429,802	378,441
Deferred tax asset	63,830	56,070
Total assets	\$ 493,632	\$ 434,511
LIABILITIES AND MEMBERS' INTEREST:		
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 50	\$ 300
Accrued expenses	8,650	6,500
Income tax payable	19,593	-
Other liabilities	3,592	-
Deferred revenue	15,950	20,900
Total current liabilities	47,835	27,700
Deferred revenue – long term	287,625	322,950
Total liabilities	335,460	350,650
MEMBERS' INTEREST	158,172	83,861
Total liabilities and members' interest	\$ 493,632	\$ 434,511

The accompanying notes are an integral part of these financial statements.

WTW US FRANCHISE SYSTEMS, LLC
STATEMENTS OF OPERATIONS

	For the Year Ended December 31,	
	2022	2021
Franchise fee revenue	\$ 40,275	\$ 34,150
Royalty income	67,189	2,963
Total revenue	107,464	37,113
Operating expenses		
General and administrative expenses	13,060	12,340
Operating expenses	420	420
Total operating expenses	13,480	12,760
Income before provision for income taxes	93,984	24,353
Income tax expense	19,673	3,798
Net income	\$ 74,311	\$ 20,555

The accompanying notes are an integral part of these financial statements.

WTW US FRANCHISE SYSTEMS, LLC
STATEMENTS OF CHANGE IN MEMBER'S INTEREST

	<u>Capital Contribution</u>	<u>Accumulated Earnings</u>	<u>Total Members' Interest</u>
Balance, January 1, 2021	\$ 50,000	\$ 13,306	\$ 63,306
Net income	-	20,555	20,555
Balance, December 31, 2021	\$ 50,000	\$ 33,861	\$ 83,861
Net income	-	74,311	74,311
Balance, December 31, 2022	<u>\$ 50,000</u>	<u>\$ 108,172</u>	<u>\$ 158,172</u>

The accompanying notes are an integral part of these financial statements.

WTW US FRANCHISE SYSTEMS, LLC
STATEMENTS OF CASH FLOW

	Year Ended December 31	
	2022	2021
Cash flows from operating activities:		
Net income	\$ 74,311	\$ 20,555
Adjustments to reconcile net income to net cash provided by operating activities:		
Deferred income taxes	(7,760)	(14,490)
Changes in operating assets and liabilities:		
Decrease (increase) in accounts receivable	5,000	(5,000)
Increase in unbilled receivables	(4,078)	(2,963)
Decrease (increase) in prepaid expense and other assets	7,840	(7,840)
(Decrease) increase in accounts payable	(250)	300
Increase in accrued expenses	2,150	1,000
Increase in income tax payable	19,593	-
Increase in other liability	3,592	-
(Decrease) increase in deferred revenue	(40,275)	45,850
Net cash provided by operating activities	60,123	37,412
Net increase in cash	60,123	37,412
Cash and cash equivalents at beginning of the year	362,638	325,226
Cash and cash equivalents at end of the year	<u>\$ 422,761</u>	<u>\$ 362,638</u>
Supplemental disclosure of cash flow information		
Cash paid during the year for taxes	<u>\$ -</u>	<u>\$ 5,226</u>

The accompanying notes are an integral part of these financial statements.

WTW US FRANCHISE SYSTEMS, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 1 - DESCRIPTION OF THE ORGANIZATION

WTW US Franchise Systems, LLC (the "Company") was formed on December 14, 2016 in the State of Delaware and is governed by its Operating Agreement. The Company is a wholly owned subsidiary of Wok to Walk Franchise, BV ("WTWBV"). The Company has developed and is in the process of further developing a system identified by the service mark "WOK TO WALK" and related to the establishment, development and operation of quick service restaurants which utilize proprietary ingredients to provide innovative food products to the general public. As of December 31, 2022, the Company had two franchise unit in operation. There is 1 unit under development.

The Company is a limited liability company ("LLC") which will continue in existence subject to the terms and conditions of its Operating Agreement. The obligations of the member are limited to its capital contributions.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") and, in the opinion of management, include all adjustments necessary for a fair presentation of the Company's statements of financial position, statements of operations, and cash flows for each period presented.

Management's Estimates

The preparation of the Company's financial statements in conformity with U.S. GAAP 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 dates of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash consists of funds held in bank accounts. Cash equivalents consist of short-term, highly liquid investments with original maturities of 90 days or less at the time of purchase and generally include money market accounts.

Concentration of Credit Risk

The Company maintains its cash accounts with one financial institution. Cash balances located in the bank are insured by the Federal Deposit Insurance Company ("FDIC") up to \$250,000 per depositor. The amounts over the federally insured limits as of December 31, 2022 and 2021 was \$172,761 and \$112,638, respectively. No losses have been incurred to date on any deposit balances.

The financial instrument that potentially subjects the Company to concentration of credit risk is accounts receivable and unbilled receivables. As of December 31, 2022 and 2021, one franchisee accounted for 100% of the Company's accounts receivable and unbilled receivable.

For the year ended December 31, 2022, two franchisees accounted for 87% and 10% of the Company's revenue, respectively. For the year ended December 31, 2021, one franchisee accounted for 83% of the Company's revenue.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable, net of allowance for credit losses, consists primarily of accrued franchise fee receivables. They include unbilled amounts for royalty income earned in the respective period but not yet billed to the customer until a future date, which typically occurs within one month after sales. The allowance for credit losses is the Company's best estimate of the amount of probable credit losses in existing accounts receivable and based on historical losses and current economic conditions. On a continuing basis, management analyzes delinquent receivables, which are charged off against the existing allowance account when determined to be uncollectible. Accounts receivable balance as of December 31, 2022 and 2021 was \$0 and \$5,000, respectively and no allowance for credit losses was required for the years ended December 31, 2022 and 2021.

WTW US FRANCHISE SYSTEMS, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

The Company adopted Accounting Standards Update (“ASU”) 2014-09, Revenue from Contracts with Customers (“ASC Topic 606”) in 2020 and have applied it to all contracts using the full retrospective method, pursuant to which prior period financial statements were restated to reflect full retrospective adoption.

Under the guidance, revenue is recognized in accordance with a five-step revenue model, as follows: (1) identifying the contract with the customer; (2) identifying the performance obligations in the contract; (3) determining the transaction price; (4) allocating the transaction price to the performance obligations; and (5) recognizing revenue when (or as) the entity satisfies a performance obligation. Generally, this occurs with the transfer of control of the products or services.

Franchise Fees, Development Fees

The Company is paid by each franchise unit a non-refundable franchise fee ranging from \$22,000 to \$45,000 (“Franchise Fees”), which includes a non-refundable initial franchise fee ranging from \$5,000 to \$12,000 (“Initial Franchise Fee”), and a development fee of \$22,000 per franchisee unit (“Development Fee”). The Initial Franchise Fee and the Development Fee are collectively the “Franchise Fees”. The Company is also paid a continuing royalty fees based upon 6% of gross sales of our franchisees. The initial term of franchise agreements are typically 10 years. Franchisees have the right to acquire a successor franchise for a renewal term limited to two successive renewal terms of 5 years each. If approved, a franchisee may transfer a franchise agreement to a new or existing franchisee.

Under the terms of franchise agreements and as part of the Development Fee, the Company provides required site opening conditions, which include location search and approval, lease, design and construction guidance, marketing materials and menu building, initial training, supply chain guidance confirmation of compliance with opening conditions. Each of these conditions represents a separate performance obligation. Development Fee has significant stand-alone functionality and is to be recognized when these performance obligations are satisfied. The Initial Franchise Fee received by the Company which is related to franchise right that does not have significant stand-alone functionality, and in which substantially all of the franchise’s benefit is derived from its association with the franchisor’s IP, is considered symbolic IP. Revenue from licenses of symbolic IP is recognized over time using a measure of progress that reflects the franchisor’s pattern of performance. Since the franchisor’s performance occurs evenly over the term of the contract, revenue attributed to the franchise right is recognized on a straight-line basis over the duration of the agreement.

Under the terms of development agreements, the Company provides certain development rights to establish and operate businesses, and to use the system solely in connection therewith at specific locations to be designated in separate franchise agreements executed.

The Company has deferred revenue related to initial franchise fees of \$89,075 and development fees of \$214,500 included in current and non-current liabilities as of December 31, 2022.

Income Taxes

Effective January 1, 2019, the Company elected to be taxed as a corporation pursuant to a timely filed federal check-the-box election.

The Company follows ASC Topic 740-10-65-1 in accounting for uncertainty in income taxes by prescribing rules for recognition, measurement and classification in financial statements of tax positions taken or expected to be in a tax return. This prescribes a two-step process for the financial statement measurement and recognition of a tax position. The first step involves the determination of whether it is more likely than not (greater than 50 percent likelihood) that a tax position will be sustained upon examination, based on the technical merits of the position. The second step requires that any tax position that meets the more likely than not recognition threshold be measured and recognized in the financial statements at the largest amount of benefit that is a greater than 50 percent likelihood of being realized upon ultimate settlement. This topic also provides guidance on the accounting for related interest and penalties, financial statement classification and disclosure. The Company’s policy is that any interest or penalties related to uncertain tax positions are recognized in income tax expense when incurred. The Company has no penalties requiring accrual at December 31, 2022 and 2021.

On January 1, 2022, the Company adopted the FASB’s ASU 2019-12, Income Taxes (ASC Topic 740): Simplifying the Accounting for Income Taxes. The adoption of this standard did not have a material effect on the Company’s financial statements.

WTW US FRANCHISE SYSTEMS, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value of Financial Instruments

The Company records its financial assets and liabilities at fair value, which is defined as the price that would be received to sell the asset or paid to transfer a liability, in the principal or most advantageous market for the asset or liability, in an orderly transaction between market participants at the measurement date. The Company is required to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

As of the balance sheet dates, the estimated fair values of cash and cash equivalents, accounts receivable, and accounts payable and accruals approximates their fair value due to the short-term maturity of such instruments.

NOTE 3 – DEFERRED REVENUE

Deferred revenue is made of Initial Franchise Fees and Development Fee that were received. The Initial Franchise Fees are recognized over the term of the franchise agreement and Development Fee is recognized when the performance obligations as described in Note 2 are completed. The balance of deferred revenue at December 31, 2022 and 2021 was \$303,575 and \$343,850, respectively.

NOTE 4 – REVENUE RECOGNITION

Disaggregation of Revenue

The following table presents disaggregation of revenue from contracts with customers for the years ended December 31, 2022 and 2021:

	Years Ended December 31,	
	2022	2021
Revenue recognized at a point in time		
Development Fee	\$ 19,500	\$ 16,000
Royalty income	67,189	2,963
Total revenue recognized at a point in time	86,689	18,963
Revenue recognized over time		
Initial Franchise Fees	20,775	18,150
Total revenue recognized over time	20,775	18,150
Total	<u>\$ 107,464</u>	<u>\$ 37,113</u>

Contract Balances

The balance of contract liabilities includes Initial Franchise fees and Development Fees that have ongoing contract rights.

	Year Ended December 31,	
	2022	2021
Contract liabilities		
Contract liabilities - current	\$ 15,950	\$ 20,900
Contract liabilities - long-term	287,625	322,950
Total contract liabilities	<u>\$ 303,575</u>	<u>\$ 343,850</u>

The table below summarizes the Company's contract liabilities activities:

Balance at January 1, 2021	\$ 298,000
Revenue recognized	(34,150)
Additions	80,000
Balance at December 31, 2021	343,850
Revenue recognized	(40,275)
Additions	-
Balance at December 31, 2022	<u>\$ 303,575</u>

WTW US FRANCHISE SYSTEMS, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 4 – REVENUE RECOGNITION (CONTINUED)

Transaction price allocated to remaining performance obligations for the years ended December 31:

2023	\$	15,950
2024		15,500
2025		12,500
2026		12,500
2027		12,500
Thereafter		20,125
Not yet determined		214,500
Total	<u>\$</u>	<u>303,575</u>

NOTE 5 – UNITS OPEN, LICENSED AND UNDER DEVELOPMENT

The Company's operating units, licensed units and unopened stores for which a franchise agreement has been executed, are as follows:

	<u>2022</u>	<u>2021</u>
Stores opened	2	1
Unopened stores with franchise agreement	10	11
Total	<u>12</u>	<u>12</u>

NOTE 6 – INCOME TAXES

Income tax expense consists of the following components:

	<u>Years Ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Current		
Federal	\$ 27,433	\$ 18,288
State		-
	<u>27,433</u>	<u>18,288</u>
Deferred		
Federal	(7,760)	(14,490)
State		-
	<u>(7,760)</u>	<u>(14,490)</u>
Income tax expense	<u>\$ 19,673</u>	<u>\$ 3,798</u>

The effective tax rate was 21% for the years ended December 31, 2022 and 2021.

Temporary differences which give rise to a significant portion of deferred tax assets are as follows:

	<u>Years Ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Deferred revenue	\$ 63,830	\$ 56,070
Net deferred tax asset	<u>\$ 63,830</u>	<u>\$ 56,070</u>

WTW US FRANCHISE SYSTEMS, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 6 – INCOME TAXES (CONTINUED)

Income tax expense is recorded using the asset and liability method. Deferred tax assets and liabilities are recognized for the expected future tax consequences attributable to temporary differences between amounts reported for income tax purposes and financial statement purposes, using current tax rates. A valuation allowance is recognized if it is anticipated that some or all of a deferred tax asset will not be realized. The Company must assess the likelihood that its deferred tax assets will be recovered from future taxable income and, to the extent that the Company believes that recovery is not likely, it must establish a valuation allowance. Significant management judgment is required in determining the provision for income taxes, deferred tax assets and liabilities and any valuation allowance recorded against net deferred tax assets.

None of the Company's Federal or state income tax returns are currently under examination by the Internal Revenue Service ("IRS") or state authorities.

On March 27, 2020, the CARES Act was enacted. The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer social security payments, net operating loss carryback periods, modifications to the net interest deduction limitations and technical corrections to tax depreciation methods for qualified improvement property. The CARES Act did not have a material impact on the Company's financial statements in 2020. The Company continues to evaluate the potential impacts the CARES Act may have on its operations and financial statements in future periods.

NOTE 7 – SUBSEQUENT EVENTS

The Company has evaluated subsequent events through March 27, 2023, the date the financial statements were available to be issued.



New York City
1560 Broadway, Suite 1111
New York, NY 10036

New Jersey
6 West Railroad Ave, Floor 2
Tenafly, NJ 07670

AUDITOR'S CONSENT

As independent certified public accountants, we hereby consent to the use in the Franchise Disclosure Document issued by WTW US Franchise Systems LLC on July 1, 2021, as it may be amended, of our report dated June 10, 2021, relating to the financial statements of WTW US Franchise Systems LLC for the period ending December 31, 2020. This consent should not be regarded as in any way updating the aforementioned report or representing that we performed any procedures subsequent to the date of such report.

Yehezkel CPA LLC

Dated: July 1, 2021

**WTW US FRANCHISE SYSTEMS, LLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

**WTW US FRANCHISE SYSTEMS, LLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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New York City
1560 Broadway, Suite 1111
New York, NY 10036

New Jersey
6 West Railroad Ave, Floor 2
Tenafly, NJ 07670

INDEPENDENT AUDITOR'S REPORT

To the members of
WTW US Franchise Systems, LLC

Report on the Financial Statements

We have audited the accompanying financial statements of WTW US Franchise Systems, LLC, which comprise the statements of financial position as of December 31, 2020, and the related statements of operations, and cash flows for the year then ended 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WTW US Franchise Systems, LLC as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, in fiscal year 2020, the entity adopted new accounting guidance Accounting Standards Update 2014-09, Revenue from Contracts with Customers. Our opinion is not modified with respect to this matter.

Other Matter

The financial statements of WTW US Franchise Systems, LLC for the year ended December 31, 2019, were audited by another auditor whose report dated April 9, 2020 and expressed an unmodified opinion on those statements.


Yehezkel CPA LLC
June 10, 2021

WTW US FRANCHISE SYSTEMS, LLC
STATEMENTS OF FINANCIAL POSITION

	As of December 31,	
	2020	2019*
ASSETS		
Current assets:		
Cash	\$ 325,226	\$ 273,765
Accounts receivable	-	250
Total current assets	325,226	274,015
Deferred tax asset	41,580	46,960
Total assets	366,806	320,975
LIABILITIES AND MEMBERS' INTEREST		
Current liabilities:		
Accounts payable	-	-
Accrued expenses	5,500	51,991
Deferred revenue	12,000	12,000
Total current liabilities	17,500	63,991
Deferred revenue	286,000	207,250
Total liabilities	303,500	271,241
Members' interest:		
Members' interest	50,000	50,000
Retained earnings	13,306	(266)
Total liabilities and members' interest	366,806	320,975

*As adjusted for the retrospective adoption of ASC 606

The accompanying notes are an integral part of the financial statements.

WTW US FRANCHISE SYSTEMS, LLC
STATEMENTS OF OPERATIONS

	For the year ended December 31,	
	2020	2019*
Franchise fee revenue	\$ 26,000	\$ 6,000
Operating expenses	465	450
General and administrative expenses	5,800	5,405
Total operating expenses	6,265	5,855
Income before income tax	19,735	145
Income tax expense	6,163	31
Net income	\$ 13,572	\$ 114

*As adjusted for the retrospective adoption of ASC 606

The accompanying notes are an integral part of the financial statements.

WTW US FRANCHISE SYSTEMS, LLC
STATEMENT OF CHANGES IN MEMBERS' INTEREST

	<u>Capital Contribution</u>	<u>Accumulated Earning (Deficit)</u>	<u>Total Member's Interest</u>
Balance, January 1, 2019	\$ 50,000	\$ (380)	\$ 49,620
Net income*	-	114	114
Balance, December 31, 2019	\$ 50,000	\$ (266)	\$ 49,734
Net income		13,571	13,571
Balance, December 31, 2020	\$ 50,000	\$ 13,306	\$ 63,306

*As adjusted for the retrospective adoption of ASC 606

The accompanying notes are an integral part of the financial statements.

WTW US FRANCHISE SYSTEMS, LLC
STATEMENTS OF CASH FLOWS

	For the year ended December 31,	
	2020	2019*
Operating Activities:		
Net income	\$ 13,571	\$ 114
Adjustments to reconcile net loss to net cash used in operating activities:		
Deferred income taxes	5,380	(46,960)
Changes in assets and liabilities		
Decrease (increase) in accounts receivable	250	(250)
(Decrease) in accounts payable	(51,991)	-
Increase in accrued expenses	5,500	51,991
Increase in deferred revenue	78,750	219,250
Net cash provided by operating activities	51,461	224,145
Net increase in cash	51,461	224,145
Cash at the beginning of the year	273,765	49,620
Cash at the end of the year	\$ 325,226	\$ 273,765
Supplemental disclosure of cash flow information		
Cash paid for tax	\$ 47,774	\$ -

*As adjusted for the retrospective adoption of ASC 606

The accompanying notes are an integral part of the financial statements.

WTW US FRANCHISE SYSTEMS, LLC

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF THE ORGANIZATION

WTW US Franchise Systems, LLC (the "Company") was formed on December 14, 2016 in the State of Delaware and is governed by its Operating Agreement. The Company is a wholly owned subsidiary of Wok to Walk Franchise, BV ("WTWBV"). The Company has developed and is in the process of further developing a system identified by the service mark "WOK TO WALK" and related to the establishment, development and operation of quick service restaurants which utilize proprietary ingredients to provide innovative food products to the general public. As of December 31, 2020, the Company had no franchise unit in operation. There are 3 units under development.

The Company is a limited liability company ("LLC") which will continue in existence subject to the terms and conditions of its Operating Agreement. The obligations of the member are limited to its capital contributions.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") and, in the opinion of management, include all adjustments necessary for a fair presentation of the Company's statements of financial position, statements of operations, and cash flows for each period presented.

Management's Estimates

The preparation of the Company's financial statements in conformity with generally accepted accounting principles 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 dates of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash, demand deposits and interest-bearing time deposits in banks with original maturities not exceeding three months from the date of deposit.

Concentration of Credit Risk

The Company maintains its cash accounts with one financial institution. Cash balances located in the bank are insured by the Federal Deposit Insurance Company (FDIC) up to \$250,000. The company has \$75,226 and \$23,765 of uninsured cash balance at December 31, 2020, and December 31, 2019, respectively.

The financial instrument that potentially subjects the Company to concentration of credit risk is accounts receivable. One development agreement was signed in 2020, which accounted for \$0 of revenue and accounts receivable.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable, net of allowance for doubtful accounts, consists primarily of accrued franchise fee receivables. Management determines the allowance for doubtful accounts based on historical losses and current economic conditions. On a continuing basis, management analyzes delinquent receivables, which are charged off against the existing allowance account when determined to be uncollectible. Accounts receivable balance as of December 31, 2020 and 2019 was \$0 and \$250, respectively and no allowance for doubtful account was required for the year ended December 31, 2020 and 2019.

WTW US FRANCHISE SYSTEMS, LLC

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

New revenue recognition standard adopted in 2020.

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers, to clarify the principles for recognizing revenue and to develop a common revenue standard for U.S. GAAP and International Financial Reporting Standards. The standard outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes prior revenue recognition guidance. This guidance was effective for fiscal years and interim periods within those years beginning after December 15, 2017 for public entities and after December 15, 2018 for private entities but allows entities to elect a one-year early adoption. On May 20, 2020, the FASB decided to amend the effective date for all nonpublic entities that have not yet adopted the new standard to annual reporting periods beginning after December 15, 2019. The Company adopted this new accounting standard codified as Accounting Standards Codification ("ASC") 606, Revenue from Contracts with Customers, and the related amendments ("new revenue standard") in 2020 and have applied it to all contracts using the full retrospective method, pursuant to which prior period financial statements were restated to reflect full retrospective adoption.

The adoption of Topic 606 represents a change in accounting principle that will provide financial statements readers with enhanced revenue recognition disclosures. In accordance with Topic 606, revenue is recognized when obligations under the terms of a contract with a customer are satisfied; generally this occurs with the transfer of control of the products or services. Revenue is measured as the amount of consideration to which the Company expects to be entitled in exchange for transferring products or providing services. To achieve this core principle, the Company applies the following five steps:

1. Identify the contract with a customer:

A contract with a customer exists when (i) the Company enters into a written agreement with a customer that defines each party's rights regarding the products or services to be transferred and identifies the payment terms related to these products or services, (ii) both parties to the contract are committed to perform their respective obligations, (iii) the contract has commercial substance, and (iv) the Company determines that collection of substantially all consideration for products or services that are transferred is probable based on the customer's intent and ability to pay the promised consideration. The Company applies judgment in determining the customer's ability and intention to pay, which is based on a variety of factors including the customer's payment history or, in the case of a new customer, published credit and financial information pertaining to the customer.

2. Identify the performance obligations in the contract:

Performance obligations promised in a contract are identified based on the products or services that will be transferred to the customer that are both capable of being distinct, whereby the customer can benefit from the product or service either on its own or together with other resources that are readily available from the Company, and are distinct in the context of the contract, whereby the transfer of the products or services is separately identifiable from other promises in the contract.

3. Determine the transaction price:

The transaction price is determined based on the consideration to which the Company will be entitled in exchange for transferring products or services to the customer. To the extent the transaction price is variable, revenue is recognized at an amount equal the consideration to which the Company expects to be entitled. Determining the transaction price requires significant judgment, which is discussed by revenue category in further detail below.

In practice, the Company does not offer extended payment terms to customers. As such, it does not adjust its consideration for financing arrangements, which is required under the standard, if payment terms offered are beyond one year.

WTW US FRANCHISE SYSTEMS, LLC

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Allocate the transaction price to performance obligations in the contract:

If the contract contains a single performance obligation, the entire transaction price is allocated to the single performance obligation. Contracts that contain multiple performance obligations require an allocation of the transaction price to each performance obligation based on a relative standalone selling price basis unless a portion of the variable consideration related to the contract is allocated entirely to a performance obligation. The Company determines standalone selling price based on the price at which the performance obligation is sold separately.

5. Recognize revenue when or as the Company satisfies a performance obligation:

Franchise fees, development fees

The Company is paid by each franchise unit a non-refundable franchise fee of \$45,000, a non-refundable initial franchise fee of \$5,000, a development fee \$25,000 per franchisee unit and continuing royalty fees based upon 6% of gross sales of our franchisees. The initial term of franchise agreements are typically 10 years. Franchisees have the right to acquire a successor franchise for a renewal term limited to two successive renewal terms of 5 years each. If approved, a franchisee may transfer a franchise agreement to a new or existing franchisee.

Under the terms of franchise agreements, the Company provides required site opening conditions, which include location search and approval, lease, design and construction guidance, marketing materials and menu building, initial training, supply chain guidance confirmation of compliance with opening conditions. Part of franchise fee have significant stand-alone functionality and is to be recognized when the performance obligation is satisfied. The initial franchise fee received by the Company which is related to franchise right that does not have significant stand-alone functionality, and in which substantially all of the franchise's benefit is derived from its association with the franchisor's IP, is considered symbolic IP. Revenue from licenses of symbolic IP is recognized over time using a measure of progress that reflects the franchisor's pattern of performance. Since the franchisor's performance occurs evenly over the term of the contract, revenue attributed to the franchise right is recognized on a straight-line basis over the duration of the agreement.

Under the terms of development agreements, the Company provides certain development rights to establish and operate businesses, and to use the system solely in connection therewith at specific locations to be designated in separate franchise agreements executed. Development fee has significant stand-alone functionality and is to be recognized when the performance obligation is satisfied.

The Company has deferred revenue related to initial franchise fees of \$198,000 and development fees of \$100,000 included in current and non-current liabilities as of December 31, 2020.

The cumulative effect of the changes made to December 31, 2019 Statement of Financial Position for the adoption of ASC 606 using the full retrospective method was as follows:

Statement of Financial Position December 31, 2019	As Previously Reported	New Revenue Standard Adjustment	As Adjusted
Current assets:			
Accounts receivable	\$ 5,000	\$ (4,750)	\$ 250
Deferred tax asset	-	46,960	46,960
Current liabilities:			
Deferred revenue	-	219,250	219,250
Members' interest:			
Retained earnings	\$ 176,774	\$ (177,040)	\$ (266)

WTW US FRANCHISE SYSTEMS, LLC
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The impact of adoption on Statement of Operations was as follows:

Statement of Operations Year Ended December 31, 2019	As Previously Reported	New Revenue Standard Adjustment	As Adjusted
Revenue	\$ 230,000	\$ (224,000)	\$ 6,000
Income tax expense	46,991	(46,960)	31
Net income (loss)	177,154	(177,040)	114

The impact of adoption on Statement of Cash Flows was as follows:

Statement of Cash Flows December 31, 2019	As Previously Reported	New Revenue Standard Adjustment	As Adjusted
Operating activities:			
Net income (loss)	\$ 177,154	\$ (177,040)	\$ 114
Deferred income taxes	-	(46,960)	(46,960)
Decrease (increase) in accounts receivable	(5,000)	4,750	(250)
Increase (decrease) in deferred revenue	-	219,250	219,250
Cash provided by (used in) operating activities	224,145	-	224,145

Income taxes

The Company follows ASC Topic 740-10-65-1 in accounting for uncertainty in income taxes by prescribing rules for recognition, measurement and classification in financial statements of tax positions taken or expected to be in a tax return. This prescribes a two-step process for the financial statement measurement and recognition of a tax position. The first step involves the determination of whether it is more likely than not (greater than 50 percent likelihood) that a tax position will be sustained upon examination, based on the technical merits of the position. The second step requires that any tax position that meets the more likely than not recognition threshold be measured and recognized in the financial statements at the largest amount of benefit that is a greater than 50 percent likelihood of being realized upon ultimate settlement. This topic also provides guidance on the accounting for related interest and penalties, financial statement classification and disclosure. The Company's policy is that any interest or penalties related to uncertain tax positions are recognized in income tax expense when incurred. The Company has \$783 and \$0 penalties requiring accrual at December 31, 2020 and 2019, respectively.

Effective January 1, 2019, the Company completed a "check the box" tax election to change their entity classification for tax purposes to that of a corporation.

Fair Value of Financial Instruments

The Company records its financial assets and liabilities at fair value, which is defined as the price that would be received to sell the asset or paid to transfer a liability, in the principal or most advantageous market for the asset or liability, in an orderly transaction between market participants at the measurement date. The Company is required to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

As of the balance sheet dates, the estimated fair values of cash and cash equivalents, accounts receivable, and accounts payable and accruals approximates their fair value due to the short-term maturity of such instruments.

WTW US FRANCHISE SYSTEMS, LLC
NOTES TO THE FINANCIAL STATEMENTS

NOTE 3 –DEFERRED REVENUE

Deferred revenue is made of franchise fee, initial franchise fees and development fee that were received and which are recognized over the term of the franchise agreement as of the statement of financial position date (see Note 2 Revenue Recognition). The balance of deferred revenue at December 31, 2020 and 2019 was \$298,000 and \$219,250, respectively. In 2020, the Company recognized revenue of \$26,000 that was included in deferred revenues balance as of December 31, 2019, which was primarily from franchise fees. The increase in the deferred revenue balance is primarily driven by the received development fee. Refer to note 2 further details of new revenue recognition guidance.

NOTE 4 – REVENUE RECOGNITION

Disaggregation of Revenue

The following table presents disaggregation of revenue from contracts with customers for the year ended December 31, 2020 and 2019:

	<u>For year ended December 31, 2020</u>	<u>For year ended December 31, 2019</u>
Revenue recognized at a point in time		
Pre-opening services	\$ 14,000	\$ -
Total revenue recognized at a point in time	<u>14,000</u>	<u>-</u>
Revenue recognized over time		
Franchise fees	<u>12,000</u>	<u>6,000</u>
Total revenue recognized over time	<u>12,000</u>	<u>6,000</u>
Grand total	<u>\$ 26,000</u>	<u>\$ 6,000</u>

Contract balances

The balance of contract liabilities includes franchise fees and development fees that have ongoing contract rights and the fees are being straight lined over the contract life.

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Liabilities		
Contract liabilities - current	12,000	12,000
Contract liabilities - long-term	<u>286,000</u>	<u>207,250</u>
Total Contract Liabilities	<u>\$ 298,000</u>	<u>\$ 219,250</u>
	<u>2020</u>	<u>2019</u>
Contract Liabilities at beginning of period	\$ 219,250	\$ -
Revenue Recognized during period	(26,000)	(5,750)
Additions during period	<u>104,750</u>	<u>225,000</u>
Contracts at end of period	<u>\$ 298,000</u>	<u>\$ 219,250</u>

WTW US FRANCHISE SYSTEMS, LLC
NOTES TO THE FINANCIAL STATEMENTS

NOTE 4 – REVENUE RECOGNITION (CONTINUED)

Transaction price allocated to remaining performance obligations (franchise agreements and license fee agreement) for the year ended December 31:

2021	\$	12,000
2022	\$	12,000
2023	\$	12,000
2024	\$	12,000
2025	\$	12,000
Thereafter	\$	42,000
Not yet determined	\$	196,000
Total	\$	<u>298,000</u>

NOTE 5 – UNITS OPEN, LICENSED AND UNDER DEVELOPMENT

The Company operating units, licensed units and unopened stores for which a franchise agreement has been executed, are as follows:

	<u>2020</u>	<u>2019</u>
Stores open	-	-
Unopened stores with franchise agreement	5	5
Total	<u>5</u>	<u>5</u>

NOTE 6 – INCOME TAXES

The Company's income tax return for the year ending December 31, 2019 is subject to examination by the IRS. Income tax expense consists of the following components:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Current:		
Federal	783	-
State	-	-
Total	<u>783</u>	<u>-</u>
Deferred:		
Federal	5,380	31
State	-	-
Total	<u>5,380</u>	<u>31</u>
Total provision for (benefit from) income taxes	<u>6,163</u>	<u>31</u>

WTW US FRANCHISE SYSTEMS, LLC
NOTES TO THE FINANCIAL STATEMENTS

NOTE 6 – INCOME TAXES (CONTINUED)

Temporary differences which give rise to a significant portion of deferred tax assets are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Deferred Revenue	41,580	46,960
Net deferred tax asset	<u>41,580</u>	<u>46,960</u>

The effective tax rate used to compute income tax expense and deferred tax assets and liabilities is a federal rate of 21%.

NOTE 7 - SUBSEQUENT EVENTS:

The Company has evaluated all subsequent events through June 10, 2021, the date these financial statements were issued.

EXHIBIT F TO THE FRANCHISE DISCLOSURE DOCUMENT

WTW US FRANCHISE SYSTEMS LLC

LIST OF FRANCHISEES AND TERMINATED FRANCHISEES

As of December 31, 2022, we have 3 franchised units.

Franchisees:

Florida:

15 OZ Fresh & Healthy Food
Dolphin Mall Food Court #112
11401 NW 12th Street
Sweetwater, FL 11401

15 OZ Fresh & Healthy Food
1629 Alton Rd
Miami Beach, FL 33139

New York:

Restaurant 570 8th Avenue LLC
570 8th Avenue
New York, NY 10018

As of December 31, 2022, there have been no franchisees who have had a business 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 who have not communicated with us within 10 weeks of the application date.

EXHIBIT G TO FRANCHISE DISCLOSURE DOCUMENT

FRANCHISEE DISCLOSURE QUESTIONNAIRE

As you know, WTW US FRANCHISE SYSTEMS LLC and you are preparing to enter into a Franchise Agreement for the operation of a WOK TO WALK Unit. In this Franchisee Disclosure Questionnaire, WTW US FRANCHISE SYSTEMS LLC will be referred to as “we” or “us.” The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we did not authorize and that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest and complete responses to each question.

1. Have you received and personally reviewed the WTW US FRANCHISE SYSTEMS LLC Franchise Agreement and each exhibit, addendum and schedule attached to it?
Yes ____ No ____

2. Do you understand all of the information contained in the Franchise Agreement and each exhibit and schedule attached to it?
Yes ____ No ____

If “No”, what parts of the Franchise Agreement do you not understand? (Attach additional pages, if necessary.)

3. Have you received and personally reviewed our Franchise Disclosure Document we provided to you?
Yes ____ No ____
4. Do you understand all of the information contained in the Franchise Disclosure Document?
Yes ____ No ____

If “No”, what parts of the Franchise Disclosure Document do you not understand?
(Attach additional pages, if necessary.)

5. Have you discussed the benefits and risks of operating a WOK TO WALK Unit with an attorney, accountant or other professional advisor and do you understand those risks?
Yes ____ No ____
6. Do you understand that the success or failure of your business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms and other economic and business factors?
Yes ____ No ____
7. Has any employee or other person speaking on our behalf made any statement or promise concerning the revenues, profits or operating costs of a WOK TO WALK Unit that we or our franchisees operate?
Yes ____ No ____
8. Has any employee or other person speaking on our behalf made any statement or promise concerning a WOK TO WALK Unit that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
Yes ____ No ____
9. Has any employee or other person speaking on our behalf made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a WOK TO WALK Unit?
Yes ____ No ____
10. Has any employee or other person speaking on our behalf made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that we will furnish to you that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
Yes ____ No ____

11. If you have answered "Yes" to any of questions seven (7) through ten (10), please provide a full explanation of your answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered "No" to each of such questions, please leave the following lines blank.

12. Do you understand that in all dealings with you, our officers, directors, employees and agents act only in a representative capacity and not in an individual capacity and such dealings are solely between you and us?
Yes ____ No ____

You understand that your answers are important to us and that we will rely on them.

By signing this Franchisee Disclosure Questionnaire, you are representing that you have responded truthfully to the above questions.

Name of Franchisee/Applicant

Date: _____, 20____

Signature

Name and Title of Person Signing

EXHIBIT H TO THE FRANCHISE DISCLOSURE DOCUMENT

MULTI-STATE ADDENDA

**ADDENDUM TO THE
WTW US FRANCHISE SYSTEMS LLC
FRANCHISE DISCLOSURE DOCUMENT**

FOR THE STATE OF CALIFORNIA

Effective date of registration in California:_____

1. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT.
2. THE FRANCHISE AGREEMENT CONTAINS PROVISIONS THAT LIMIT FRANCHISEE'S RIGHTS AND MAY NOT BE ENFORCEABLE IN CALIFORNIA, INCLUDING BUT NOT LIMITED TO A WAIVER OF JURY TRIAL.
3. Section 31125 of the Franchise Investment Law requires us to give you a disclosure document in a form containing the information that the Commissioner may by rule or order require before we ask you to consider a material modification of your franchise agreement.
4. You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 Voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043)
5. Any interest rate charged to a California franchisee shall comply with the California Constitution. The interest rate shall not exceed either: (a) 10% annually or (b) 5% annually plus the prevailing interest rate charged to banks by the Federal Reserve Bank of San Francisco, whichever is higher.
6. ITEM 3 of the Franchise Disclosure Document is amended to add the following:

Neither the franchisor, nor any person or franchise broker in Item 2 of the FDD, is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.
7. ITEM 17 of the Franchise Disclosure Document is amended to add the following:

- The California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee 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.
- The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C. Sec. 101 et seq.).
- The Franchise Agreement requires franchisee to sign a general release as a condition of transfer. This general release shall exclude claims arising under California law.
- The Franchise Agreement contains a covenant not to compete which extends beyond the term of the agreement. This provision might not be enforceable under California law.
- The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
- The Franchise Agreement requires litigation in New York with the costs being borne by the non-prevailing party. Prospective franchisees are encouraged to consult legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement restricting venue to a forum outside the State of California.
- The following URL address is for the franchisor's website:

www.woktowalk.com

FRANCHISOR'S WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AT www.dfpi.ca.gov.

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

9. THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF CALIFORNIA. SUCH REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF BUSINESS OVERSIGHT NOR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

FOR THE STATE OF ILLINOIS

Franchise Disclosure Document Amendment

In recognition of the requirements of the Illinois Franchise Disclosure Act, the Franchise Disclosure Document for WTW US Franchise Systems LLC for use in the State of Illinois shall be amended as follows:

1. Illinois law governs the Franchise Agreement.
2. The following provision is added to Item 5 of the Franchise Disclosure Document:

Based on the franchisor's financial condition, the Illinois Attorney General has imposed on WTW US Franchise Systems, LLC the requirement that the franchisor defer payment of all initial franchise fees owed to the franchisor, or its affiliate, by the franchisee until such time as all initial obligations owed to the franchisee under the franchise agreement or other agreements have been fulfilled by the franchisor and the franchisee has commenced doing business pursuant to the franchise agreement.

3. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a Franchise Agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside Illinois.
4. Your rights upon Termination and Non-Renewal of a Franchise Agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.
5. In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

WTW US FRANCHISE SYSTEMS LLC

Illinois Franchise Agreement Amendment

In recognition of the requirements of the Illinois Franchise Disclosure Act, 815 ILCS 705, the parties to the attached Franchise Agreement (the "Agreement") agree as follows:

1. Illinois law governs the Franchise Agreement.
2. The following shall be added as the last sentence of Section 3.1 of the Agreement:

Based on the franchisor's financial condition, the Illinois Attorney General has imposed on WTW US Franchise Systems, LLC the requirement that the Franchisor defer payment of all initial franchise fees owed to the franchisor, or its affiliate, by the franchisee until such time as all initial obligations owed to the franchisee under the franchise agreement or other agreements have been fulfilled by the franchisor and the franchisee has commenced doing business pursuant to the franchise agreement.

3. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a Franchise Agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside Illinois.
4. Your rights upon Termination and Non-Renewal of a Franchise Agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.
5. In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Illinois amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

WTW US FRANCHISE SYSTEMS, LLC

FRANCHISEE:

By: _____

By: _____

Name and Title: _____

Name and Title: _____

Date: _____

Date: _____

FOR THE STATE OF NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is to be added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, 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.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-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.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as

defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective Rev. March 17, 2021 2 injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the “Summary” sections of Item 17(c), titled “**Requirements for franchisee to renew or extend**,” and Item 17(m), entitled “**Conditions for franchisor approval of transfer**”:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the “**Summary**” section of Item 17(d), titled “**Termination by franchisee**”: You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the “Summary” sections of Item 17(v), titled “**Choice of forum**”, and Item 17(w), titled “**Choice of law**”:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

WTW US FRANCHISE SYSTEMS LLC

Washington State Addendum to the Franchise Disclosure Document, Franchise Agreement, Franchisee Disclosure Questionnaire and any related Agreements

Based on the franchisor's financial condition, the Washington Department of Financial Institutions, Securities Division, has imposed on WTW US Franchise Systems, LLC the requirement that the Franchisor defer payment of all initial franchise fees owed to the franchisor, or its affiliate, by the franchisee until such time as all initial obligations owed to the franchisee under the franchise agreement or other agreements have been fulfilled by the franchisor and the franchisee has commenced doing business pursuant to the franchise agreement.

The state of Washington has a statute, RCW 19.100.180 which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

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

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

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

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

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void

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

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

The undersigned does hereby acknowledge receipt of this addendum.

Dated this _____ day of _____ 20_____.

WTW US FRANCHISE SYSTEMS, LLC

FRANCHISEE:

By: _____

By: _____

Name and Title: _____

Name and Title: _____

Date: _____

Date: _____

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	
Illinois	
Michigan	
New York	
Washington	

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 FRANCHISE DISCLOSURE DOCUMENT SUMMARIZES CERTAIN PROVISIONS OF THE FRANCHISE AGREEMENT AND OTHER INFORMATION IN PLAIN LANGUAGE. READ THIS FRANCHISE DISCLOSURE DOCUMENT AND ALL AGREEMENTS CAREFULLY.

IF WTW US FRANCHISE SYSTEMS LLC OFFERS YOU A FRANCHISE, WTW US FRANCHISE SYSTEMS LLC MUST PROVIDE THIS FRANCHISE DISCLOSURE DOCUMENT TO YOU BY THE EARLIEST OF:

- (1) FOURTEEN (14) CALENDAR DAYS BEFORE THE SIGNING OF A BINDING AGREEMENT; OR
- (2) FOURTEEN (14) CALENDAR DAYS BEFORE MAKING A PAYMENT TO WTW US FRANCHISE SYSTEMS LLC OR AN AFFILIATE IN CONNECTION WITH THE PROPOSED FRANCHISE SALE; OR
- (3) IN THE STATE OF NEW YORK: i) THE FIRST PERSONAL MEETING TO DISCUSS OUR FRANCHISE; OR ii) TEN BUSINESS DAYS BEFORE THE SIGNING OF A BINDING AGREEMENT; OR, iii) TEN BUSINESS DAYS BEFORE A PAYMENT TO WTW US FRANCHISE SYSTEMS LLC OR ITS AGENT.

IF WTW FRANCHISE SYSTEMS LLC DOES NOT DELIVER THIS FRANCHISE DISCLOSURE DOCUMENT ON TIME OR IF IT CONTAINS A FALSE OR MISLEADING STATEMENT, OR A MATERIAL OMISSION, A VIOLATION OF FEDERAL AND STATE LAW MAY HAVE OCCURRED AND SHOULD BE REPORTED TO THE FEDERAL TRADE COMMISSION, WASHINGTON, D.C. 20580 AND THE STATE ADMINISTRATOR LISTED IN EXHIBIT A.

THE FRANCHISE IS SOLD SOLELY BY DAVID ROJAS, 6 WEST RAILROAD AVE., SECOND FLOOR, TENAFLY, NJ 07670, AND THE TELEPHONE NUMBER 646-722-8191.

WTW US FRANCHISE SYSTEMS LLC, AUTHORIZES THE AGENT LISTED IN EXHIBIT B TO RECEIVE SERVICE OF PROCESS FOR WTW US FRANCHISE SYSTEMS LLC.

THE ISSUANCE DATE OF THIS FRANCHISE DISCLOSURE DOCUMENT IS APRIL 1, 2023.

I HAVE RECEIVED A FRANCHISE DISCLOSURE DOCUMENT DATED APRIL 1, 2023 INCLUDING THE FOLLOWING EXHIBITS ON THE DATE LISTED BELOW:

- A. LIST OF STATE ADMINISTRATORS
- B. LIST OF STATE AGENTS FOR SERVICE OF PROCESS
- C. FRANCHISE AGREEMENT
- D. TABLE OF CONTENTS OF OPERATIONS MANUAL
- E. FINANCIAL STATEMENTS
- F. LIST OF TERMINATED FRANCHISEES
- G. FRANCHISEE DISCLOSURE QUESTIONNAIRE
- H. MULTI-STATE ADDENDA

Please sign and print your name below, date and return one copy of this receipt to WTW US FRANCHISE SYSTEMS LLC, and keep the other for your records.

Date of Receipt

Print Name

Return to:

Signature

(individually or as an officer or member of)

WTW US FRANCHISE SYSTEMS LLC,

(Name of corporation or limited liability company)

a _____ corporation/limited liability company

(State of incorporation/organization)

RECEIPT

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(Name of corporation or limited liability company)

a _____ corporation/limited liability company

(State of incorporation/organization)