

STATE COVER PAGE

2018 SEP 18 PM 3:50

Your state may have a franchise law that requires a franchisor to register or file with the state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit F for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

WE WERE FORMED ON APRIL 4, 2018 AND HAVE A LIMITED OPERATING HISTORY. YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY.

THE FRANCHISOR MAY CANCEL THE FRANCHISE AGREEMENT IF A SITE IS NOT AGREED UPON WITHIN 365 DAYS OF YOUR SIGNING THE FRANCHISE AGREEMENT.

YOU WILL NOT RECEIVE AN EXCLUSIVE TERRITORY. YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM OUTLETS THAT WE OWN, OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS THAT WE CONTROL.

FRANCHISEES MUST ALSO SIGN A PERSONAL GUARANTEE, MAKING HER SPOUSE INDIVIDUALLY LIABLE FOR YOUR FINANCIAL OBLIGATIONS UNDER THE AGREEMENT IF YOU ARE MARRIED. THEY GUARANTEE WILL PLACE YOUR AND YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS AT RISK IF YOUR FRANCHISE FAILS.

WE DO NOT HAVE A FEDERAL REGISTRATION FOR ONE OF OUR PRINCIPAL MARKS. THEREFORE, SUCH TRADEMARK DOES NOT HAVE AS MANY LEGAL BENEFITS AND RIGHTS AS A FEDERALLY REGISTERED TRADEMARK. IF OUR RIGHT TO USE THE TRADEMARK IS CHALLENGED, YOU MAY HAVE TO CHANGE TO AN ALTERNATIVE TRADEMARK, WHICH MAY INCREASE YOUR EXPENSES.

THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: See the next page for state effective dates.

STATE EFFECTIVE DATES

Some states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration, before franchise offers or sales may be made. These states, and the current franchise registration or franchise registration exemption status of the Franchise Disclosure Document in these states, are:

California	pending
Connecticut	not registered
Florida	not registered
Hawaii	not registered
Illinois	not registered
Indiana	not registered
Kentucky	not registered
Maryland	not registered
Michigan	not registered
Minnesota	not registered
Nebraska	not registered
New York	pending
North Dakota	not registered
Rhode Island	not registered
South Dakota	not registered
Texas	July 30, 2018 (permanent exemption)
Utah	not registered
Virginia	not registered
Washington	pending
Wisconsin	not registered

Type of Fee	Amount	Due Date	Remarks
Transfer Fee ¹	\$30,000 ²	Not later than 10 days before the transfer ³	There is no transfer fee if franchise is transferred to an entity owned solely by you. Also, no transfer fee is due if the franchise is transferred to your personal representative, conservator or heir upon your death or legal disability (if you are an individual) or dissolution (if you are an entity).
Renewal Fee ¹	\$10,000 ²	When you sign the renewal Franchise Agreement ³	You are qualified for renewal if all fees due us are paid and you are not in breach of any term of your Franchise Agreement.
Late Payment Penalty ¹	5% of the amount past due ³	Immediately upon our demand ³	The late payment penalty is in addition to interest on the unpaid amount.
Records and Rights of Inspection (Audit) ¹	Cost of audit plus interest on underpayment	Immediately upon demand for payment ³	Due only if audit discloses an understatement of 5% or more in amounts payable to us, or it takes our auditors an unreasonable amount of time (more than 8 hours) to assemble your records for audit.

1. All fees are imposed and collected by and are payable only to us. Except as indicated in Item 5 or otherwise in the table above, all fees are non-refundable. All fees are uniformly imposed.

2. This fee may be adjusted by changes since the effective date of the Franchise Agreement in the annual average of the Consumer Price Index for All Urban Consumers ("CPI"), published by the Bureau of Labor Statistics of the United States Department of Labor, or the highest similar future index if these figures become unavailable.

3. If any payment is not paid when due, you must pay a late charge of 5% of the amount past due plus interest on the unpaid amount at an annual percentage rate ("APR") of 10% (which is the highest interest rate allowed by law in California), and you must reimburse us immediately upon demand for all reasonable costs of collection relating to delinquent amounts. Interest begins from the date payment was due.

4. In addition to the Marketing and Promotion Fees you pay us, beginning on the Opening Date, you must spend in your Territory at least 5% of your Gross Revenues each month on the local marketing, advertising and promotion of your Outlet, using a local promotional program set out in the Confidential Operations Manual (the "Manual") or that we otherwise approve. Also, within the first 90 days after the Opening Date, we recommend you spend in your Territory an additional \$5,000 on the grand opening advertising and promotion of your Outlet, using a grand opening promotional program that we provide or approve.

ITEM 7: ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Initial Franchise Fee ¹	\$30,000	Lump sum; non-refundable	When you sign the Franchise Agreement.	Us
Territory Surcharge ¹	0 to \$40,000	Lump sum; non-refundable	When you sign the Franchise Agreement.	Us
Design Fee ¹	\$1,400 to \$15,000	Lump sum	When we consent to the site for your Outlet.	Us
Security Deposit ¹	\$30,000	Lump sum	When you sign the Franchise Agreement.	Us