YCA Franchising, Inc.
A Texas corporation
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https://youngchefsacademyfranchise.com/

As a *Young Chefs Academy*® franchisee, you will operate a cooking school for children.

The total investment necessary to begin operation of a *Young Chefs Academy*® franchised business ranges from $140,400.00- $196,000.00. This includes $45,000 that must be paid to the franchisor or affiliate.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact our Operations Department at operations@youngchefsacademy.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 contracts carefully. Show your contract and this 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 be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: APRIL 21, 2022

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits D and E.
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 F 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 *Young Chefs Academy*® business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a *Young Chefs Academy*® franchisee?	Item 20 or Exhibits D and E 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 mediation and/or litigation only in McLennan County, Texas. Out-of-state mediation or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate or litigate with the franchisor in McLennan County, Texas than in your own state.

2. **Minimum Royalty Payments**. You must make minimum royalty payments or advertising contributions regardless of your sales levels. Your inability to make these payments may result in termination of your franchise and loss of your investment.

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

MICHIGAN ADDENDUM
TO THE DISCLOSURE DOCUMENT

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, logo type, 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 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 obligation 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 Department of the Attorney General's Office, Consumer Protection Division, Franchise Section, G. Mennen Williams Building, 525 W. Ottawa Street, 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 Disclosure Document, "We", "Us" or "Our" refers to YCA Franchising, Inc., the Franchisor. "You" means the person who buys the franchise. If you are a corporation or partnership, then "You" includes the owners of the franchise. We are a Texas corporation that was incorporated on April 25, 2014. We maintain our principal place of business at 7728 Central Park Drive, Waco, TX 76712. We do not have any parent companies. We do business under our corporate name and under the trade names *Young Chefs Academy*®. We do not engage in any other business activity. Our agents for service of process are listed on Exhibit A.

Parents, Predecessor, & Affiliates

Our predecessor is Young Chefs International LP, a Texas limited partnership formed in February 2005 ("YCILP"). YCILP offered *Young Chefs Academy*® franchises from April 2005 until 2010. YCILP has a current principal place of business at 7728 Central Park Drive, Waco, TX 76712. YCILP does not currently own any *Young Chefs Academy*® franchises and is not a franchisor for any existing *Young Chefs Academy*® franchises. Since 2010 YCILP has not offered franchises for *Young Chefs Academy*®. YCILP neither offers franchises in any other lines of business nor offer provides any products or services to our franchisees.

We do not have any affiliates that offer franchises in any line of business or that provide products and services to our franchisees.

The franchise offered

We offer *Young Chefs Academy*® franchises that provide cooking classes for children. While teaching children is the main focus, a *Young Chefs Academy*® franchise will occasionally offer cooking classes for special needs adults, adult team building cooking events, and cooking classes for adults. We began offering *Young Chefs Academy*® franchises in May 2014. We currently do not operate a business of the type being franchised. We have not engaged in any other line of business, and we do not offer or sell franchises in other lines of business. You must operate your *Young Chefs Academy*® franchise according to our standards and specifications at a location within a territory specified in the *Young Chefs Academy*® *f*ranchise agreement in the form attached to this Disclosure Document as Exhibit B (the "Franchise Agreement").

Market Competition

You will compete with local, regional or national independent cooking schools that may provide similar services. You will offer your services in a developed market. Before signing a Franchise Agreement, you should survey your market to determine the number and quality of competitors.

Regulations

There are no specific national standards regulating, specifically, cooking schools for children or the *Young Chefs Academy*® franchised business. You must comply with all federal, state and local laws and regulations that apply to the operation of any business, laws that regulate commerce in general, laws that are specific to the operation of food related businesses and laws that apply to businesses involving children. Types of applicable law include federal, state and local laws regulating health and sanitation; immigration laws; tax laws; unemployment and workers' compensation laws; workplace safety laws; employment and discrimination laws; disability laws; environmental laws; product labeling laws; building codes, zoning codes and the Americans With Disabilities Act in relation to your premises. Some jurisdictions may require compliance with certain restaurant licensing and zoning statutes or a vendor's license to operate the franchised business. You must conduct background checks on any employee that will be in direct contact with children and comply with the Fair Credit Reporting Act in connection with background checks. We require at least 1 person on the premises who is certified to administer CPR and first aid in case of an emergency when children are present. We urge you to consult with a local attorney or otherwise investigate state and local laws and regulations as these vary by locality.

Item 2.
BUSINESS EXPERIENCE

Unless otherwise noted, all of our personnel are based in Waco, Texas.

Chief Executive Officer: Julie L. Burleson

Ms. Burleson is our founder and has been our Chief Executive Officer since December 2014.

Vice President of Franchise Operations: Jamie Skinner

Since March 2020, Ms. Skinner has been our Vice President of Franchise Operations. Prior to that, from October 2015 to March 2020, Ms. Skinner was our Director of Franchise Operations and Training.

Vice President of Marketing: Shelly Young

Since March 2020, Ms. Young has been our Vice President of Marketing. Prior to that, from March 2015 to March 2020, Ms. Young was our Director of Marketing.

Director of Business Systems and Technology: Charles Burleson

Mr. Burleson has been our Director of Business Systems and Technology since March 2015.

Item 3.
LITIGATION

No litigation is required to be disclosed in this Item.

Item 4.
BANKRUPTCY

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

Item 5.
INITIAL FRANCHISE FEE

You must pay us our standard $45,000 initial franchise fee for your first franchise when you sign the Franchise Agreement. We offer a $5,000 reduction from the initial franchise fee to qualifying veterans. We also offer a $10,000 reduction from the initial franchise fee on subsequent franchise territory purchases upon our approval. The initial franchise fee is fully earned when the Franchise Agreement is signed. The initial franchise fee is payable in lumpsum and is not refundable in whole or in part under any circumstances.

For new franchises, we will provide initial training and training materials at no extra charge to you; however, if you purchase an existing franchise (and we are paid a transfer fee instead of an initial franchise fee), then you must pay us a non-refundable $2,000 training fee. Training fees are payable in lumpsum and are non-refundable and must be paid before you attend the training.

Item 6.
OTHER FEES

(1) Type of fee (See Note 1)	(2) Amount	(3) Due Date	(4) Remarks
Monthly Royalty Fee	5% of the previous month's Gross Sales for your franchise with a minimum of $400 as outlined in Note 2 below.	5th day of each month (See Note 2)	See Note 6 for definition of Gross Sales.
Monthly Advertising Fee	2% of previous month's Gross Sales for your franchise with a minimum of $100 as outlined in Note 3 below.	20th day of each Month (See Note3)	See Note 6 for definition of Gross Sales.
Local Marketing Expenditure Amount	3% of previous month's Gross Sales with a minimum of $500 per month	As incurred	All marketing is subject to our authorization and approval.
Renewal Fee	$10,000	Upon renewal of your franchise	You must pay this fee prior to full execution of a new Franchise Agreement for renewing your franchise.
Advertising Cooperative Contributions	Currently $0, but we may require you to participate in a local or regional advertising cooperative	As determined	Payable only if a local or regional advertising cooperative is formed in your trading area.
Technology Fee	$225 per month (Note 4)	5th day of each month	You must pay us or our designated vendor this fee for on-going access to our required operating program. This fee is subject to change with 30-days written notice.
Supplemental On-Site Training	Our then current daily rate per training plus expenses. There is a two-day minimum for assistance. Our current daily trainer rate is $300 per day.	On demand	If you request training of a replacement Manager or require supplemental on-site training of your employees. You must pay for costs of travel, lodging, meals, and transportation of our representatives.
Transfer Fee	The greater of $15,000 or 50% of the then-current initial franchise fee.	Before transfer	You must pay this fee to us when your franchise is sold. If the transfer is to a corporate entity owned solely by you, then we will reduce this fee to $500.
Relocation Fee	$500 per relocation	Upon acceptance of a new site.	

(1) Type of fee (See Note 1)	(2) Amount	(3) Due Date	(4) Remarks
Financial Reporting Late Charge Amount	$100 per occurrence	On demand	If you fail to submit to us required reports or complete and accurate financial statements when requested
Late Fee	$50	On demand	Applies to any payment owed to us that is more than 5 days late
Interest	The lesser of 18% per annum or the highest rate allowed by law	On demand	Payable on all overdue amounts
Fee for Our Audit of Your Franchise (See Note 6)	Cost of audit	Within 7 days of being invoiced by us	You must pay any unpaid fees and the costs of the audit if you understated Gross Sales by more than 2%
Supplier Approval	Our reasonable costs and expenses; we have not had any requests for supplier approval in order to provide an estimate for this amount.	When billed	Payable only if you request approval of a new supplier. (See Note 5)
Brand Compliance Fee	$500 each month	On demand within 15 days from receipt of notice.	Only assessed if you do not comply with the requirements we establish for the operation of your franchise.
Taxes	Our actual cost	When billed	Payable only if we must pay any tax assessed on your operations
Costs and attorneys' fees	Our actual costs	When billed	Payable only if your default results in us incurring legal expenses
Indemnification	Our actual costs	When billed	You must reimburse us if we are held liable for claims involving your operation of the business
Annual Conference Fees	$500/person	Within 30 days of notice of conference	You must pay this fee whether or not you attend the annual conference. The fee will be automatically debited by ACH.
Extension of lease execution deadline fees	$5,000	Simultaneously with your request to extend the deadline to execute a lease for your franchise	If you are unable to obtain a signed lease for the accepted site for your franchise within 180 days after the signing of the franchise agreement with us, you seek a one-time extension of 180 days by (1) making a written request to us, and (2) paying a nonrefundable fee of $5,000 for such extension.

Notes:

1. All fees are imposed by us and are payable to us unless we tell you otherwise. You must pay all fees by electronic funds transfer, bank draft, cashier's check or any other form as determined by

us. All fees are nonrefundable. We waived some fees for renewing franchisees otherwise, all fees are uniformly imposed on all franchisees subject to the offering in this Disclosure Document.

2. The Monthly Royalty Fee will commence when you open your franchise to the general public or 270 days from the date of your Agreement (in which case the Minimum Monthly Royalty Fee would be due until your franchise actually opens), whichever occurs first. As long as you open your franchise within 270 days from the date of your Agreement, we will assess the Monthly Royalty Fee without the Minimum Monthly Royalty Fee for the first 3 months you are open.
3. The Monthly Advertising Fee will commence when you open your franchise to the general public or 270 from the date of your Agreement (in which case the Minimum Advertising Fee would be due until your franchise actually opens), whichever occurs first. As long as you open your franchise within 270 days from the date of your Agreement, we will assess the Monthly Advertising Fee without the Minimum Monthly Advertising Fee for the first 3 months you are open.
4. We may increase the Monthly Technology Fees once in any calendar year but not more than $25 per month per calendar year.
5. We have had no occasion to charge these fees and have no current estimated cost range, but we intend to base the charges on compensation for actual time expended by our staff and any out-of-pocket costs we incur, which we are currently unable to estimate. For an approving a supplier, for example, we might engage a 3rd party instead of using our own staff and charge you the cost of those services.
6. The term "Gross Sales" means all revenue derived from the operation of *Young Chefs Academy®* franchise, including, but not limited to, all revenues generated from any and all sources on account of sale of memberships, sale of any products and goods, and rendering of any service of any kind or nature, at or from *Young Chefs Academy®* franchise, or under, or in any way connected with the use of, the Marks (as defined in Item 13), whether for cash, check, credit, barter or otherwise, without reserve or deduction for inability or failure to collect the same; less (i) all applicable federal, local, and state sales, use or service tax collected from franchise customers and paid to the relevant authorities, and (ii) the amount of any actual refunds, rebates, over-rings, and allowances given to members or customers in good faith. Gross Sales includes the proceeds of any business interruption insurance or similar insurance proceeds a franchisee may receive to replace any lost revenue due to business interruption that is caused by a casualty or other similar event.

Item 7.
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of expenditure (See Note 1)	**Amount (See Note 2)**		**Method of Payment**	**When Due**	**To Whom Payment is to Be Made**
	Lowest Estimated Amount	**Highest Estimated Amount**			
Initial Franchise Fee (See Note 3)	$45,000	$45,000	Lump Sum	When you sign Franchise Agreement	Us
Grand Opening Inventory (See Note 4)	$2,500	$3,500	As arranged	As incurred	3rd parties
Travel and living expenses for initial	$2,000	$4,000	As arranged	As incurred	3rd parties

Type of expenditure (See Note 1)	Amount (See Note 2) Lowest Estimated Amount	Highest Estimated Amount	Method of Payment	When Due	To Whom Payment is to Be Made
training (per person) (See Note 5)					
Lease (See Note 6)	$4000	$15,500	As arranged	As incurred	3rd parties
Real Estate Improvements (See Note 7)	$30,000	$45,000	As arranged	As incurred	3rd parties
Cabinets, furniture, fixtures, equipment, and signs (See Note 8)	$30,000	$40,000	As arranged	As arranged	3rd parties
Office Equipment (See Note 9)	$2,400	$3,000	As arranged	As arranged	3rd parties
Supplies (See Note 10)	$500	$1,000	As arranged	As incurred	3rd parties
Grand Opening Marketing and Advertising (See Note 11)	$3,000	$4,000	As arranged	As incurred	3rd parties
Deposits, business licenses, permits, etc. (See Note 12)	$1,000	$2,500	As arranged	As incurred	3rd parties
Insurance (For 1 year) (See Note 13)	$1,000	$2,500	As arranged	As arranged	3rd parties
Professional fees (See Note 14)	$1,000	$3,000	As arranged	As arranged	3rd parties
Additional Funds (for 1st 3 months) (See Note 15)	$18,000	$27,000	As arranged	As incurred	3rd parties
Total	**$140,400.00**	**$196,000.00**			

Notes:

1. Unless otherwise stated, these expenses are generally non-refundable.
2. These figures are estimates. Your actual costs will depend on region; time of year; how much you follow our methods and procedures; your management skill, experience and acumen; local economic conditions; local market for your services; local prevailing wage rate; competition; and sales levels that you reach during the initial period of your business.
3. The Initial franchise fee for a qualifying veteran would be $5,000 less. The Initial franchise fee is non-refundable.
4. We require you to spend at least $2,500 for Grand Opening Inventory. Grand Opening Inventory consists of a variety of logo apparel, kitchen utensils and other items that you will offer for sale. The estimated cost range is based on the size of the space in which you will display the merchandise and the importance you place on the sale of merchandise in your individual business plan.
5. We do not charge any fees for initial training of your employees; however, you responsible for travel, lodging, food, and other miscellaneous living expenses incurred during training of your employees. We estimate such costs to be $1,000 per person; however, your actual cost will vary, depending on the distance to be traveled, your method of travel, and your personal circumstances.

6. You will be required to operate your Young Chefs Academy® business from a commercial location that we approve and that complies with local and state laws. The cost of real estate varies considerably based on the local real estate market and the size and location of the property that you elect to purchase or lease. This estimate assumes that you will be leasing the location for your Young Chefs Academy business. You will be required to pay the landlord a security deposit that you will negotiate with the landlord and that will vary significantly based on factors that include the desirability of the location and your own negotiations. This estimate is for the estimated cost of two (2) months of rent plus a security deposit for a location that is approximately 1,500 – 2,300 square feet.
7. You must buildout the premises of your *Young Chefs Academy®* business per the guidelines provided in our Manual (as defined in Item 11). Your build-out costs may vary depending on local market conditions and other related factors. The estimates provided include pre-opening expenses and improvements.
8. You must purchase and/or lease and install the furniture, fixtures, equipment, and signage necessary to operate your *Young Chefs Academy®* business under our specifications, in accordance with our buildout packet. Currently, you will need stove/oven units, microwave, refrigerator, cabinets, tables, chairs, displays and at least 1 outside sign. The costs will vary according to the size of the premises, your selections, price differences among suppliers, the location of the premises, local market conditions and other related factors.
9. You will need a computer system, at least 1 dedicated telephone line and internet access.
10. Includes supplies or materials such as forms, writing material, writing utensils, posters, and promotional materials needed to operate efficiently.
11. We require you to spend at least $3,000 on marketing and advertising for your grand opening. When you open, you will need to purchase marketing promotional materials and have a grand opening event. You will need to advertise to help establish name recognition in your locality and build your customer base. This amount is in addition to the Advertising Fee that you pay to us.
12. You may pay utility deposits or have other requirements as to permits or licensing in your city, county, state or other local jurisdiction. You may have to comply with the fictitious, assumed or trade name laws of the locality where your business is located. You or your manager must be certified under the SERVSAFE program before you open for business (see Item 11). This estimate also covers costs for CPR training.
13. Item 8 has information about required insurance.
14. You may wish to consult with an accountant and/or attorney before beginning operations.
15. You may need additional funds to operate your business during its initial period to cover operating expenses that are in excess of typical start-up revenues. These amounts are our estimates of the amount needed to cover your expenses for the 3-month initial period of your business. Your actual costs will vary according to your approach to the franchise; your management skill, experience and business acumen; local economic conditions; the local market for the franchise's services; the prevailing wage rate in your market; and competition and the rate of growth of your franchise. You may need additional funds at or near the higher estimate, or even exceeding the higher estimate, depending on your choices. These amounts do not include a salary or draw for you. We have relied on our executives over 10 years of experience in the *Young Chefs Academy* business and our affiliate's periodic operations of *Young Chefs Academy* franchises to compile these estimates. The estimated initial investment is for an initial 3-month period after the opening of your *Young Chefs Academy* franchise covering expenses such as lease, insurance, utilities and employment.

Item 8.
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Approved Vendor and Suppliers

We require you to purchase from an approved supplier a minimum of $2,500 of Grand Opening Inventory consisting of a variety of logo apparel, kitchen utensils and other items that you will offer for sale. We may periodically require you to purchase certain additional services and products from our approved suppliers. Currently, neither we nor any of our affiliates are an approved supplier of goods and services to our franchisees; however, we may approve a single supplier for any item, which may include us or our affiliate, and may approve a supplier only as to a certain item or items. We will maintain a list of approved suppliers and criteria for approving suppliers in our Manual.

We may modify our list of approved suppliers to grant approval to new suppliers, revoke past approvals of suppliers, or modify our criteria for approving suppliers on reasonable written notice to you. We will grant or revoke approvals of suppliers based on our criteria for approving suppliers, inspections, and performance reviews. You may request in writing our approval of additional suppliers. We do not provide our franchisees with our criteria for approving alternate suppliers. We will allow our franchisees to contract with suppliers that meet our criteria as long as it does not involve the use of any of our Marks or proprietary information. We will provide you with written notification of the approval or disapproval of any supplier you propose within 30 days after receipt of your request. For this approval or disapproval, we may charge you a fee. Our fee for approval of any alternative suppliers would not exceed $2,000.

None of our officers own an interest in any approved supplier. We may negotiate purchase arrangements with suppliers for the benefit of our franchisees and will notify you in writing of these arrangements. We do not provide any benefits or otherwise discriminate against you based on your purchase of any particular product or services or use of any particular supplier. We have no purchasing or distribution cooperatives and do not have the right to establish cooperatives or require you to participate in them.

Required Purchases & Leases

You must purchase or lease certain equipment and supplies meeting our specifications (as described in our Manual or otherwise), including a computer system. Also, you must purchase or lease initial equipment and supplies in amounts that we recommend, to use our experience in the business and to provide proper initial planning, training, operation, and record keeping. The initial equipment and supplies that must meet our specifications are identified in our Manual. Any signs, logos, emblems, or pictorial materials using our Marks must meet our specifications and require approval prior to production.

You must find a site for your franchise that meets our site selection criteria as stated in Item 11 within 120 days from the effective date of your Franchise Agreement. We will not unreasonably withhold acceptance of any site that meets our standards. Our acceptance of a site is not a representation or warranty that your franchise will be profitable or that your revenues will attain any predetermined levels. Acceptance is intended only to indicate that the proposed site meets our minimum criteria for identifying sites. You agree that our acceptance or nonacceptance of a proposed site does not impose any liability on us. We must provide acceptance of any lease or sublease for the site for your franchise. We will provide you with specifications for design, decoration, layout, equipment, furniture, fixtures, and signs for your *Young Chefs Academy* business, but all items may be purchased from any source unless otherwise noted in this Item 8.

We estimate that 50% to 100% of your required purchases and leases of services and products in the establishment of your *Young Chefs Academy®* Franchise and 50% to 75% of your required purchases and leases of services and products in the operation of your *Young Chefs Academy®* Franchise are subject to our specification.

Insurance

You must obtain and maintain insurance, at your expense, as we require, in addition to any other insurance required by applicable law, your landlord, or otherwise. We may periodically change the amounts of coverage required under the insurance policies and require different or additional kinds of insurance, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances, if the changes apply to all *Young Chefs Academy®* franchises. Each insurance policy must name us as additional insureds. On our request, you must provide us with copies of all insurance policies together with proof of payment for insurance. You must send to us current certificates of insurance and copies of all insurance policies on an annual basis. Before you open your *Young Chefs Academy®* franchise, you must furnish us with a certificate of insurance showing compliance with the insurance requirements. Currently, you must have the following insurance at a minimum:

- $1,000,000 per person per occurrence and $2,000,000 aggregate for bodily injury; and at least $50,000 for property damage per occurrence.
- All risk extended coverage, ensuring the construction of improvements and contents of the business, for at least 80% of the replacement value, or comparable insurance required by your landlord or under the applicable state or local law.
- Automobile liability insurance on each vehicle used in the business with the minimum coverage limits as required under the applicable laws.
- Worker's compensation or similar insurance as required under the applicable laws.

We may from time to time increase the amount of coverage required under these policies or require different or additional insurance coverage (including reasonable excess liability insurance) at any time to reflect inflation, identification of new risks, change in law or standards of liability, higher damage awards, or other relevant change in circumstances.

Revenues Derived From Franchisee Purchases

We may derive revenues from the services and products that we provide to franchisees, and from certain approved suppliers that provide services and products to our franchisees (whether required or approved). In 2021, neither we nor our affiliates received any revenues or any other material benefits from franchisees' required purchases or lease.

Item 9.
FRANCHISEE'S OBLIGATIONS

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

Obligation	***Section in Agreement***	***Disclosure Document Item***
1. Site selection and acquisition/lease	4	7, 8 & 11
2. Pre-opening purchases/leases	4	7 & 8
3. Site development and other pre-opening requirements	4	7 & 11
4. Initial and ongoing training	5	11
5. Opening	4	6, 7 & 11

6. Fees	2, 3, 4, 5, 6, 8 & 13	5, 6 & 7
7. Compliance and standards and policies/Operations Manual	6, 7 & 15	11
8. Trademarks and proprietary information	9	13 & 14
9. Restrictions on products/services offered	6 & 7	8 & 16
10. Warranty and customer service requirements	6 & 9	8 & 11
11. Territorial development and sales quotes	1	12
12. Ongoing product/service purchases	6 & 7	8 & 16
13. Maintenance, appearance, and remodeling requirements	2 & 6	11
14. Insurance	11	7 & 8
15. Advertising	3 & 6	6, 7 & 11
16. Indemnification	11	6, 13 & 14
17. Owner's participation/management/staffing	5 & 6	11 & 15
18. Records and reports	3, 6 & 8	6
19. Inspections and audits	6 & 8	6 & 11
20. Transfer	13	17
21. Renewal	2	17
22. Post-termination obligations	15, 16 & 17	17
23. Non-competition covenants	17	17
24. Dispute resolution	18	17
25. Other (describe)	Not applicable	Not applicable

Item 10.
FINANCING

We do not offer any direct or indirect financing. We do not guarantee your promissory notes, mortgages, leases, or other obligations.

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

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

<u>Before Opening</u>

<u>Before you open your business, we will:</u>

1. Designate your territory (Franchise Agreement, Section 1.B. and Schedule 1.).
2. Accept your site for your franchise (Franchise Agreement, Section 4.A.). You are responsible for locating a site for your franchise within the protected territory identified on Schedule 1 to your Franchise Agreement. We do not generally lease premises to our franchisees. You will generally lease your franchise location from an unrelated third party. In providing acceptance or non-acceptance of a proposed site, we will consider square footage, space dimensions, parking availability, use restrictions, a storefront location and traffic patterns. We typically approve or reject a proposed site within 30 days from our receipt of the all the information regarding such site that we reasonably request. If we do not accept a proposed site, then you must locate another site. If you do not have an accepted site within 180 days of the date of the Franchise Agreement, then we may terminate the Franchise Agreement and your initial franchise fee will not be refunded. However, if you anticipate that you will not obtain a site for

the franchise location within 180 days after the date of the Franchise Agreement, you may seek a 180 days extension of the deadline. In order to seek such extension, you must, no later than 30 days before the end of the 180-day period: (1) notify us in writing that you intend to extend the deadline; and (2) pay us a nonrefundable fee of $5,000 for the extension.

3. Review the lease for your franchise location for approval. (Franchise Agreement, Section 4.B. and Schedule 2 to Franchise Agreement). Although we have the right to review and comment on your lease for the franchise location, we will not evaluate or be responsible for the commercial reasonableness or suitability of the lease and you have those responsibilities. If you lease the franchise location, you and the landlord must sign our standard Addendum to Lease before you commence operating your franchise.
4. Assist you in the construction or improvement of your location by providing our specifications for construction or improvement of the franchise location. (Franchise Agreement Section 4. C.) We will have the right to inspect and approve the construction before you open the franchise business to make sure our specifications have been followed. If, in our opinion, our specifications have not been followed, you must resolve any issues to our satisfaction before opening the franchise business. This may delay the opening of your franchise business.
5. Provide access to the electronic copy of our Confidential Operations Manual (the "Manual") for operating your franchise (Franchise Agreement, Section 6.A.3.). The Manual is confidential and remains our property. We may modify the Manual from time to time. (Section 6.A.1.) The Table of Contents of the Manual is attached to this Disclosure Document as Exhibit C. Our Manual as of the issuance date of this Disclosure Document contains a total of 722.
6. Provide you with specifications for equipment and supplies to be used under the *Young Chefs Academy*® system (Franchise Agreement, Sections 6.G. and 6.H.).
7. Advise you as to promotion and advertising of your franchise (Franchise Agreement, Section 6.L.).
8. Provide initial training for you and your manager at a location we determine (Franchise Agreement, Section 5.A.) and is described in more detail below under the subheading "TRAINING PROGRAM."

TRAINING PROGRAM

Subject	Number of Hours		Location
	Classroom	On-the-Job	
Introduction to the *Young Chefs Academy*® Systems	2.5		Woodway, TX or site of a *Young Chefs Academy*® franchise
Marketing, Advertising and Promotions	8		Woodway, TX or site of a *Young Chefs Academy*® franchise
Classroom Training for Operation of Your franchise	8		Woodway, TX or site of a *Young Chefs Academy*® franchise
YCA Policies and Website	5.5		Woodway, TX or site of a *Young Chefs Academy*® franchise
Business Operations and Planning	8		Woodway, TX or site of a *Young Chefs Academy*® franchise
Hands on/Live Simulation Training of *Young Chefs Academy*® services		24	Woodway, TX or site of a *Young Chefs Academy*® franchise
TOTAL	**56**		

The hours devoted to each subject are estimates only and may vary substantially based on how quickly trainees grasp the material, their prior experience with the subject, and scheduling. We will use our Manual as the basis for instruction during initial training. Initial training will generally last 7 days. We will offer initial training as needed up to 11 times a year (each month except for December).

Ms. Skinner currently supervises the initial training. She has experience in the subjects taught and with *Young Chefs Academy®* franchisees since she joined us in 2015. Additionally, Ms. Burleson and Ms. Young will also teach some subject. Ms. Burleson is the founder of *Young Chefs Academy®* and has over 17 years of experience with our franchises and with the subjects taught. Ms. Young has over 22 years of experience in this subject matter taught by her and has over 17 years of experience with our franchisees.

If you are an individual, then you and your original manager must attend and complete our initial training program to our satisfaction at least 30 days before opening. If you are a legal entity, then your operating principal and your original manager must attend and successfully complete initial training. We recommend that you plan to attend training after you sign a lease for your franchise. You and your manager must attend training prior to opening your franchise. You must always have your franchise managed by an individual who has completed training. If you must replace a manager, then you will have 30 days to have your manager complete training or the soonest that we offer the training if longer than 30 days. If you or your employees require supplemental on-site training, you must pay our then current daily rate per trainer plus expenses. There is a two-day minimum for assistance. Currently, our daily trainer rates is $300 per day. We may require you (or your operating principal) and/or any previously trained manager to attend any refresher or follow-up training that we designate. Training for transferees of the franchised business is required and provided on the same terms as the initial training provided for you. Training for transferees will occur at a time we schedule on a space-available basis but must be completed within 45 days of the transfer. You or your trained manager must train your employees before the opening and during the operation of your franchise. You must pay travel, lodging and meal expenses for trainees and any compensation or benefits due trainees during initial training, or during any regional or national conferences or any additional or refresher training.

You and the individual managing your franchise must be certified under the Serving Safe Food (“SERVSAFE”) program established by the Educational Foundation of the National Restaurant Association ("EFNRA"), or a course that is essentially equivalent to it and approved by us, before you open for business. SERVSAFE program courses are offered online, as well as at various universities, vocational schools, and community colleges across the country in single full-day sessions or 1 week of evening sessions, and cover food handling and safety concerns. You and the individual managing your franchise must also be certified in cardiopulmonary resuscitation (CPR).

You must open your franchise within 270 days after the date of your Franchise Agreement, subject to our opening schedule availability. If you are delayed from opening within the 270 days, then you must provide us with a written request to delay opening. Your request must state: 1) that a delay is anticipated; 2) the reasons that caused the delay; 3) the efforts that you are making to proceed with the opening; and 4) an anticipated opening date. In considering the request, we will not unreasonably withhold our consent to a delay, up to a maximum of 90 days if you have been diligently pursuing the opening. If, for any reason (including your failure to locate a site acceptable to us), you do not open your business within the 270 days or any extension we have granted, then we may terminate your Franchise Agreement without refunding any of the initial franchise fee.

The typical length of time between the signing of a Franchise Agreement and the opening of a business is 4 to 6 months. Factors that may affect this time include your ability to select a site, negotiate a lease and complete any construction or renovation of your facility, obtain business licenses and permits, and complete training.

During Operation

During the operation of your franchise, we will:

1. Periodically analyze your sales and promotional efforts and suggest any improvements we believe to be necessary, and we will provide on-going advice and assistance as we believe necessary for the operation of your franchise (Franchise Agreement, Section 7).
2. Update the Manual to incorporate improvements and new developments in the *Young Chefs Academy®* system. These revisions may be made at any time (Franchise Agreement, Section 6.A.).
3. Provide research data and advice for merchandising, marketing, and advertising for the operation of your franchise as we deem necessary (Franchise Agreement, Section 7).
4. Communicate any new developments, techniques, curriculum, and improvements to the *Young Chefs Academy®* system (Franchise Agreement, Section 7).
5. Make available to you initial training of replacement managers at a location that we determine (Franchise Agreement, Section 5).
6. Assist you with sales promotions and administer a system-wide advertising and promotional fund (Franchise Agreement, Sections 3 and 6).
7. At our option, provide access to our on-line Manual, franchisee resources and company news (Franchise Agreement, Section 6).
8. At our option, maintain a website and provide you with a standard web page on the website (Franchise Agreement, Section 6).

You must contribute each month the greater of either 2% of the monthly Gross Sales of your franchise or $100 our system-wide advertising and promotional fund ("Advertising Fund"). All franchised and company-owned businesses (if any) will contribute to the Advertising Fund at the same rate. We are not required to provide advertising for the franchise system except to administer the Advertising Fund. The Advertising Fund is intended to generally promote the services of *Young Chefs Academy®* franchises. We administer the Advertising Fund and all programs that the Advertising Fund finances. We use the Advertising Fund for public relations and the development and placement of print, electronic media, and web-based advertising. We do not use the Advertising Fund to solicit prospective franchisees, but we may use the Advertising Fund to develop a website and social media platforms. We may use an outside advertising agency to create and place advertising and handle public relations. The Advertising Fund may advertise locally, regionally, and nationally, as we decide in our sole discretion, to promote *Young Chefs Academy®* franchises.

We try to use the Advertising Fund for the benefit of all *Young Chefs Academy®* franchises, but we are not required to spend any amount from the Advertising Fund directly in your area or in proportion to your contributions. In any fiscal year, the Advertising Fund may spend more or less than the contributions for that year. The Advertising Fund may borrow from us or others to cover deficits or invest any surplus for future use. If contributions to the Advertising Fund, including any earnings, are not spent in the fiscal year in which they accrue, then they will remain in the Advertising Fund for use in following years. We may terminate the Advertising Fund at any time, but we will not do so until all monies in the Advertising Fund have been spent for the purposes described in the Franchise Agreement or returned to contributors on a prorated basis.

We account for the Advertising Fund separately from our other funds each year. The Advertising Fund is not audited, but we will prepare an annual unaudited financial statement of the Advertising Fund that will be available on your request about 120 days after the end of each fiscal year. Other than reimbursement for reasonable costs and overhead incurred in activities for the administration or direction of the Advertising Fund, which may include a portion of salary and benefits of any personnel who manage and administer the

Advertising Fund, meeting costs and similar expenses, neither we nor any affiliate receive any payment for providing services or products to the Advertising Fund. We may collect for deposit into the Advertising Fund any advertising, marketing or similar allowances paid to us for that purpose by suppliers who deal with *Young Chefs Academy*® franchises.

The Advertising Fund is administered by our marketing personnel. An unaudited financial statement for the Advertising Fund will be available to you upon 30 days from your written request after 120 days from the end of the last fiscal year. During the last fiscal year of the Advertising Fund, the Advertising Fund spent 8% of its income for production, 5% for administrative expenses and 5% on public relations. We do not currently have a Franchisee Advisory Council. You are not currently required to participate in a local or regional advertising cooperative, but we may require you to do so in the future. You may not solicit business outside your territory through the use of a toll-free number, direct mail, website, social media platform or other advertising method without our prior written approval.

You are also required to spend 3% of your previous month's Gross Sales with a minimum of $500 per month on local advertising ("**Local Marketing Expenditure Amount**").

You must submit to us, for our approval, all media, and materials to be used for local advertising, unless the media and/or materials have been approved before or unless we provided the materials to you. All materials containing our Marks must include the designation service mark SM, trademark ™, registered trademark ®, copyright ©, or any other designation we specify. If you do not receive written or oral disapproval of any materials submitted, then the materials are disapproved. We may require you to withdraw and/or discontinue the use of any promotional materials or advertising, even if previously approved. Your submission of advertising for our approval does not affect your right to determine the prices at which you sell your services.

You may have as many telephone numbers, facsimile numbers, directory listings, and/or any other type of contact information or directory listing (collectively, the "**Telephone Presences**") for your *Young Chefs Academy*® franchise as you choose. Without our approval, you may not (1) develop, establish, maintain or authorize any website, domain name, email address, social media account, username, other online presence or presence on any electronic medium of any kind (each an "Online Presence") that reflects or includes any of the Marks or any proprietary information, that otherwise states or suggests your affiliation with *Young Chefs Academy*® franchise system or that links to any Online Presence owned or maintained by us, or our affiliates, or any other *Young Chefs Academy*® franchise owner, (2) sell any products or services, whether directly or indirectly, through any Online Presence, or (3) engage in any promotional or similar activities, whether directly or indirectly, through any Online Presence. If we approve the use of any such Online Presence in the operation of your *Young Chefs Academy*® franchise, you will develop and maintain such Online Presence only in accordance with our guidelines, including guidelines for posting any messages or commentary on other third-party websites. You acknowledge and agree that all goodwill arising from or in connection with the use of each Telephone Presence and Online Presence will inure to our benefit. Promptly after expiration, termination, repurchase or transfer of the franchise, you will notify each telephone or Internet service provider with whom you have any Telephone Presence and/or Online Presence and direct them to transfer the Telephone Presence and Online Presence to us, or any persons we designate, at your expense; and you agree to execute all documents necessary to complete these transfers. On the execution of your Franchise Agreement, we may require you to sign a transfer of service consent and authorization granting us the authority to change, transfer or terminate any Telephone Presence and/or Online Presence on your behalf, but we will use it only if you do not comply after expiration, termination, repurchase or transfer of the franchise.

At our option, we may establish one or more websites to advertise, market and promote the *Young Chefs Academy*® franchise and the franchise opportunity. If we establish a website, then we may provide you with a listing for your location or a web page to promote your business if you provide us with the information that we request to develop your web page. Our system standard will apply to any website advertising. We may provide a secure management system for our franchisees.

You must obtain the computer system that we specify from any vendor you choose. Currently, you must acquire the following minimum computer components and peripherals: Intel Core / AMD processor or better, 8 GB RAM, 160 GB hard drive, 15” monitor, keyboard, mouse, color printer, the latest version of the Microsoft® Windows operating system, web browser (the latest version of either Internet Explorer, Firefox or any other web browser that we approve), Adobe Reader and a virus protection program. We may require that you obtain a specific word-processing software, and you may wish to obtain accounting software. We may, in the future, designate an approved supplier for computer components. We recommend that you acquire a cash drawer. We estimate that the cost of the required computer hardware and software will range from $1,000 to $2,000.

You are required to use an operational software program system that we approve for use in *Young Chefs Academy*® franchises. This system could be web-based. You are required to pay a monthly technology fee for access to this operational software program system. We or our designated vendor may deny you access to the operational software program system if you fail to pay the monthly technology fee. Currently, this system includes the components to operate your franchise, including an on-line POS. You are required to use our specified operating software’s POS system for any and all revenue collected. You must have broad-band Internet access (DSL or cable modem), which will permit you to use our operational software program system, gather information, exchange ideas and transfer data. You may use any independent Internet service provider (ISP) of your choosing that provides broad-band access. You must maintain a functioning email address so that we can communicate with you electronically. We will have unlimited, independent access to the operational software program system you use in the operation of your franchise and the operating data for your franchise through our operational software program system. You will use our operational software program system for class scheduling, contact management, as well as functions such as word processing and e-mail. We do not provide general computer or any software training. If you need general computer or software training, then you must acquire it from suppliers of your choosing.

We may upgrade our minimum computer system requirements at any time in order to keep pace with technology or if necessary, to run our operational software program system. There are no contractual limitations on the frequency or cost of this obligation, but we expect you will need to upgrade at least every 3 years. If we modify or impose a requirement, then we will notify you in our Manual or other written communications and will give you a reasonable time in which to comply at your expense. We estimate that the cost of upgrading and/or replacing a computer system could be from $50 to $1,000 annually.

Unless we expressly provide otherwise in writing, we do not warranty any required computer hardware or software, and we disclaim all implied warranties to the extent permitted by law. Neither we nor any affiliate is obligated to provide ongoing maintenance, repairs, upgrades, or updates to any component of your computer system. You should determine for yourself whether or not any 3rd party supplier from whom you purchase any component of your computer system is obligated to provide ongoing maintenance, repairs, upgrades or updates to any component of your computer system and determine the additional cost for the services.

Item 12.
TERRITORY

You shall operate your Franchised Business only from a specified location approved by us. We will designate a general geographic area, such as a city or sector of a city ("Site Selection Area"), solely for the purpose of limiting the area within which you may seek a site location for your Franchised Business. 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. However, upon executing a lease for your Franchised Business and prior to the opening of your Franchised Business, we will designate a geographical area defining your protected territory (your "Protected Territory"). The size of the Protected Territory will be determined by general demographics of the area with a minimum residential population of 200,000, the scope of the geographic boundaries, and other similar criteria in order to ensure that you can realistically service the Protected Territory. The boundaries of the Protected Territory may be shaped, at our sole discretion, to match the population criteria and natural geographic features. As long as you are not in default of your Franchise Agreement, we will not establish, nor license another party or entity to establish a Franchised Business under the trademark "Young Chefs Academy" within the Protected Territory. You may face competition from other channels of distribution of competitive brands that we control.

Under the Franchise Agreement, you may sell proprietary products and services to retail customers who live anywhere but who choose to use your Franchised Business. You may conduct an Offsite Event in accordance with the terms and conditions set forth in the Manuals. However, you may not conduct an Offsite Event within the Protected Territory of another Franchised Business without our approval. Without prior approval by us, you may not engage in any promotional activities or sell proprietary products or similar products or services, whether directly or indirectly, through or on the Internet, the World Wide Web, or any other similar proprietary or common carrier electronic delivery system; through catalogs or other mail order devices sent or directed to customers or prospective customers located anywhere; or by telecopy or other telephonic or electronic communications, directed to or received from customers or prospective customers located anywhere. You shall obtain the prior approval from us for all advertising, promotional and marketing activities conducted by you in your local market area.

Although we will not grant another franchise in your Protected Territory, customers from your Protected Territory may purchase services and products from one of our affiliates or directly from us and or Affiliates over the Internet, or in other reserved channels of distribution. As a result, the Protected Territory will not be exclusive. We reserve for ourselves the exclusive right to market any other products or services utilizing the Marks and other marks utilizing alternative distribution channels, including over the Internet. We are not required to compensate you for any solicitation or acceptance of orders inside your territory via alternative channels of distribution. We further reserve the right to negotiate options, rights of first refusal, and other similar rights to acquire additional franchises upon request by another franchisee. You should not rely on any oral representations that you will be offered the first opportunity to expand in an area or that you have any other expansion rights. If you desire to obtain expansion rights to an area, you should consider applying to us for the rights to that area.

There is no minimum sales quota. You maintain the right to your Protected Territory even if the population increases. Your Protected Territory is not dependent upon achievement of certain sales volume, market penetration, or any other contingency.

<u>Relocation</u>

Relocation of your Franchised Business requires our prior written approval, which may be withheld in our sole discretion. We may charge our then-current relocation fee for services we will provide in connection with the relocation of your Franchised Business before we review a proposed new site. The Protected Territory may not be changed or altered if you relocate your Franchised Business.

Reserved Rights

We retain the right, in its sole discretion, to own and operate Franchised Businesses at any location(s) outside your Protected Territory under the same or different marks, or to license others the right to own and operate a Franchised Business at any location(s) outside Franchisee's Protected Territory under the same or different marks.

We reserve the right to use the Marks and System in connection with the provision of other services and products or in alternative channels of distribution at any location including within the Protected Territory without compensation to you.

We reserve the right to acquire businesses that are the same as or similar to the Franchised Business and operate such businesses regardless of where such businesses are located, including inside the Protected Territory and to be acquired by any third party which operates businesses that are the same as or similar to the Franchised Business regardless of where such businesses are located, including inside the Protected Territory.

We further reserve the right to use its Proprietary Marks and System in connection with services and products, promotional and marketing efforts or related items, or in alternative channels of distribution, including the sale of products through retail or wholesale stores, and via the Internet and mail order catalogs, without regard to location. We also retain the right to sell products and services through alternative channels of distribution, such as mail order, catalog sales, telemarking, Internet, television, newspaper, and any other advertising media to consumers located anywhere, and acquire or be acquired by other business systems or entities, including within your Protected Territory. You have no right to share in any revenue generated from these activities.

Item 13.
TRADEMARKS

We grant you the non-exclusive right and obligation to use the trademark, service mark and trade name *Young Chefs Academy*, and other trademarks, service marks, trade names, logos, trade dresses, and commercial symbols (the "Marks") that we make available to you, for providing services and products under the *Young Chefs Academy* system at your franchise. You may not use any of the Marks as part of any legal entity name, website address, email address, domain name or other identification in any print, electronic or other medium, or with any prefix, suffix or other modifying word, term, symbol or design. You may not use the Marks for the sale of unauthorized services or products or in any manner we have not authorized in writing. All rights in and good will from the use of the Marks accrue solely to us.

We own the following Marks that are registered on the Principal Register of the United States Patent and Trademark Office ("USPTO"):

Trademark	U.S. Registration No.	Registration Date
CAMP CAN-I-COOK	4793309	August 18, 2015
Young Chefs Academy w/design	4793125	August 18, 2015
Young Chefs Academy	4815916	September 22, 2015
Young Chefs Academy	4947037	April 26, 2016
KinderCooks	5787408	June 25, 2019

Young Chefs	97/227708	Pending

We have filed all required affidavits for each registration that we own when it is due and intend to renew any registrations we own. There are no currently effective material determinations of the USPTO, any Trademark Trial and Appeal Board, any state trademark administrator or any court, nor are there any pending interference, infringement, opposition or cancellation proceedings or material litigation, involving any of the Marks in any manner that is material to the franchised business. There are no decided infringement, cancellation or opposition proceedings in which we unsuccessfully fought to prevent registration of another trademark to protect the Marks. There are no currently effective agreements that significantly limit our rights to use, or license use of the Marks in any manner that is material to the franchised business.

We will control any administrative proceedings or litigation involving the Marks. You must notify us promptly of any use by any person or legal entity other than us or our franchisees, of any of our Marks or any variation of any of our Marks. We may, but are not obligated to, take any action, if any, in our sole discretion. Our current intent is to take strong and progressive actions (that may include bringing litigation) against that use. We have the sole right to defend, compromise or settle any claims related to our Marks. Any actions that we take will be at our expense.

You must notify us promptly of any litigation brought against you involving any of our Marks, and you must deliver to us copies of any documents for the litigation that we request. We will decide whether to settle or defend any trademark litigation brought against you. If we decide to take either action, then we will do so at our expense, but you must cooperate with us. If the defense does not involve issues concerning the operation of your franchise, then we will reimburse you for your out-of-pocket costs. If we decide not to defend or settle any trademark litigation brought against you, then you must defend or settle the litigation at your expense.

We may acquire or develop additional Marks or modify existing Marks and may use those additional or modified Marks ourselves or make those additional or modified Marks available for use by you, other *Young Chefs Academy®* franchisees and/or other persons or entities, as we deem fit. You may not directly or indirectly contest our rights in our trademarks.

We may require you to use and display a notice in a form we approve that you are a franchisee under the *Young Chefs Academy®* system using the trademarks as authorized under your Franchise Agreement. We may require you to modify or use a substitute for any trademark. If we do, then we will allow you sufficient time to make the change in a cost-effective matter, but you must pay your cost of compliance.

We will indemnify you to the extent that litigation involves defending against infringement or unfair competition if you are using our Marks in accordance with the Franchise Agreement and our Manual, you allow us sole control of the defense and settlement of any claim and if you give us notice of a claim within 30 days after you learn about the claim. We do not know of any superior prior rights or infringing uses that could materially affect your use of the trademark.

Item 14.
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

No patents are material to the franchise.

We have not registered any copyrights with the United States Copyright Office (Library of Congress), but various marketing, sales, training, management and other materials that we have created are and will be protected under the U.S. Copyright Act, whether or not we have obtained registrations. You may use these copyrighted materials during the term of the Franchise Agreement, in a manner consistent with our ownership rights, solely for the purpose of promoting your franchised business.

There are no currently effective determinations of the U.S. Copyright Office (Library of Congress) or any court, nor are there any pending infringement, opposition or cancellation proceedings or material litigation, involving the copyrighted materials that are relevant to their use by our franchisees.

There are no agreements currently in effect that significantly limit our right to use or license the use of our copyrighted materials in any manner material to the franchise. You must modify or discontinue use of any subject matter covered by a copyright if directed by us. We do not know of any superior rights in or any infringing uses of our copyrighted materials that could materially affect your use of the copyrighted materials.

We have proprietary, copyrighted Manual that include guidelines, standards and policies for the operation of your business, and other proprietary, copyrighted materials. Item 11 describes the Manual and the manner in which you may use them. All proprietary Manual and materials provided to you are for your exclusive use during the term of the Franchise Agreement and may not be reproduced, copied, loaned to, used by, or shown to any person outside the *Young Chefs Academy®* system without our permission. You must also promptly tell us when you learn about unauthorized use of this proprietary information. We are not obligated to take any action but will respond to this information as we think appropriate. We will indemnify you for losses brought by a third party concerning your use of this information.

Each manager, supervisory employee, independent contractor, or other person attending initial training must sign an agreement in which he or she agrees to the confidentiality of *Young Chefs Academy* system, agrees not to use any information about the system for his or her own benefit, and agrees not to compete in certain respects with your franchise and other franchisees' businesses. Each of these persons must sign a confidentiality agreement before you grant him or her access to our Manual or any other confidential information.

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

We strongly believe that the success of your franchised business will depend to a large extent on your personal and continued efforts, supervision and attention. If you are an individual, then you or a trained manager must personally manage the franchised business at all times. You and your manager, if any, must attend and successfully complete initial training. If you are a legal entity, then you must designate a managing shareholder, partner, or member (“operating principal”). If you are a legal entity, then your operating principal or a trained manager must personally manage the franchised business at all times. Your operating principal and your manager, if any, must attend and successfully complete initial training. We require at least 1 person on the premises who is a minimum age of 21 and certified to administer CPR and first aid in case of an emergency when children are present.

If you must replace a manager, then you will have 30 days to have your manager complete training or the soonest that we offer the training if longer than 30 days. Neither an original manager nor a replacement manager needs to have an equity interest in the franchised business. Each manager, supervisory employee, independent contractor, or other person attending initial training must sign an agreement in which he or she agrees to the confidentiality of *Young Chefs Academy®* system, agrees not to use any information about the system for his or her own benefit, and agrees not to compete in certain respects with Your business and other franchisees' businesses. Each of these persons must sign a confidentiality agreement before you grant him or her access to our Manual or any other confidential information. We must approve the form you use for a confidentiality agreement.

If you are a legal entity, then each shareholder, principal officer, partner, or member must personally guarantee your obligations under the Franchise Agreement and also agree to be personally bound by, and personally liable for breach of, the Franchise Agreement.

Item 16.
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale and sell only services and products that we have approved or authorized. You may not offer for sale or sell services or products that would detract from or be inconsistent with the *Young Chefs Academy*® system. You may use services or products not purchased from us, but those services or products must be of comparable quality and must be approved by us in writing before use to ensure maintenance of proper quality standards. You may not use or permit the use of your premises for any other purpose or activity at any time without first obtaining our written consent.

You must offer for sale all approved services and products; must not deviate from our specifications for the approved services and products without our written consent; and must discontinue offering any items that we disapprove in writing. We may change the types of services and products that we approve or authorize, if the services and products are compatible with the *Young Chefs Academy* system. There are no other limits on our right to make these changes.

You are not restricted in the customers to whom you may sell approved services or products or the prices the services are rendered, or products are sold. However, all sales must occur at or from your premises. You may not solicit business outside your territory through the use of a toll-free number, direct mail, Internet website or other advertising method without our prior written approval.

Item 17.
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

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

THE FRANCHISE RELATIONSHIP

Provision	Section in franchise or other agreement	Summary
Length of the franchise Term	2.B.	10 years
Renewal or extension of the Term	2.C.	An additional term of 5 years, if approved for renewal
Requirements for franchisee to renew or extend	2.C.	You must be in strict compliance with the Franchise Agreement, must sign our then current Franchise Agreement, update your location to comply with our then-current standards, sign general release, complete any training that we may require and payment of a $10,000 Renewal Fee. If you seek to renew your franchise at the expiration of the initial term or any renewal term, then you may be asked to

Provision	Section in franchise or other agreement	Summary
		sign a new agreement that contains terms and conditions materially different from those in your previous Franchise Agreement, such as different fee requirements and territorial rights.
Termination by franchisee	2.D.	By mutual agreement with us or by sale of the franchise
Termination by franchisor without cause	Not applicable	We cannot terminate your franchise without Cause
Termination by franchisor with cause	15	We can terminate only if you are in default
"Cause" defined – curable Defaults	15.B.	15 days to cure: You are in default of any material term of the Franchise Agreement that is not specified in Section 18.A of the Franchise Agreement, or any other standard and specification in our Manual.
"Cause" defined – non-curable defaults	15.A.	You are insolvent or bankrupt; a judgment related to the franchise remains unsatisfied; you made material misrepresentations to us in acquiring the franchise; you abandon the franchise relationship or cease to occupy the premises or otherwise lose the right to occupy the premises; you violate the covenant against in-term competition; you are convicted of a felony or a crime that we believe is likely to have an adverse impact on the reputation of the system; you disclose confidential information; you violate the transfer provisions; you knowingly maintain false books or records, or knowingly submit any false or fraudulent reports, statements or documents to us; you misuse the trademarks or otherwise impair our goodwill in the trademarks; you fail to maintain insurance; and you are repeatedly in default, whether or not cured after notice
Franchisee's obligations on termination/nonrenewal	16	Cease to use our Marks and system; return our Manual and any confidential information provided to you; cease to use any items with our Marks on them and do not give it to any third parties; comply with the post term covenants of the Franchise Agreement; assign to us telephone numbers, email addresses and electronic identifiers that use our trademarks; assign any memberships and turn over membership lists; pay outstanding amounts owed to us and to 3rd parties; at our option, assign to us the lease to your premises (also see r, below)

Provision	Section in franchise or other agreement	Summary
Assignment of contract by Franchisor	13.J.	No restriction on our right to assign
"Transfer" by franchisee – Defined	13.B.	Includes transfer of Franchise Agreement or assets or ownership change in franchisee
Franchisor approval of transfer by franchisee	13.A. & 13.C.	We have the right to approve all transfers but will not unreasonably withhold approval
Conditions for franchisor approval of transfer	13.C.	You are not in default, you give us notice, transferee qualifies, training arranged, training fee paid, successful completion of initial training by transferee, transfer fee paid, purchase agreement accepted, you pay all debts associated with your franchise, you sign a release and transferee signs the then current Franchise Agreement (also see r. below)
Franchisor's right of first refusal to acquire franchisee's business	14	We can match any offer for your business
Franchisor's option to purchase franchisee's business	Not applicable	
Death or disability of Franchisee	13.H.	Franchise must be assigned by estate to approved buyer within 90 days
Non-competition covenants during the term of the franchise	10.A.	"Competitive Business" means any cooking school or any business that provides cooking instructions or related products and services. No involvement in Competitive Business anywhere in the U.S., other than having an equity ownership of less than 5% of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange.
Non-competition covenants after the franchise is terminated or expires	17.B.	No competing business for 2 year within 75 miles of your *Young Chefs Academy®* franchise location, other than having an equity ownership of less than 5% of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange.
Modification of the Agreement	19.O.	No modification except by written agreement signed by both parties.

Provision	Section in franchise or other agreement	Summary
Integration/merger clause	19.O.	Only terms of the Franchise Agreement, including its attachments are binding (subject to state law). Any representations or promises outside of this disclosure document and the Franchise Agreement may not be enforceable.
Dispute resolution by arbitration or mediation	18	You must mediate any disputes with us
Choice of forum	19.C.	Litigation must be conducted in the U.S. District Court for the Western District of Texas or in McLennan County, Texas (subject to applicable state law).
Choice of Law	19.C.	Texas law applies (subject to applicable state law).

Applicable state law may require additional disclosures related to the information provided in this Disclosure Document. These additional disclosures appear in Exhibit K. We may challenge the enforceability of any state law that declares void or unenforceable any provision in the Franchise Agreement by bringing an appropriate legal action or by raising the claim in a legal action or mediation that you initiate. A provision in the Franchise Agreement that terminates the agreement on your bankruptcy may not be enforceable under Title 11, United States Code Section 101 *et seq*.

Item 18.
PUBLIC FIGURES

We do not employ any public figure or celebrity in our management, nor do we use a public figure or celebrity to promote our franchises.

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Item 19.
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing 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.

Please carefully read all information in this Item 19, including the Notes and other statements following the table. Those Notes and other statements explain the information and limitations on the information contained in the Tables. Written substantiation for the financial performance representation will be made available to a prospective franchisee on reasonable request.

The following table presents unaudited information about the annual gross sales for the highest and lowest sales reported and the average of those in the United States that reported and were owned and operated by third party franchisees for the full calendar year for that specific fiscal year. In calculating these averages, we included the gross sales information only for the franchises that had been in operation for the full calendar year and excluded information about franchisees that began operating after January 1st or ceased operating before December 31st of the respective year. As used herein, "Gross Sales" means the aggregate amount of all revenue and receipts derived from operations of a franchise, whether from cash, check, or credit, but excluding all federal, state or municipal sales, use or service taxes collected from customers and paid to the appropriate taxing authority. All figures used in determining the average gross sales in this report are on file and a matter of record in our records. Written substantiation of the data presented in this financial performance representation will be made available to you upon reasonable request. We do not otherwise furnish to prospective franchisees any oral or written information concerning the actual or potential sales, costs, income or profits of a Young Chefs Academy franchise.

GROSS SALES OF REPORTING FRANCHISES FOR FY 2020 & 2021					
Year	***High***	***Average***	***Median***	***Low***	**# and % of outlets that attained or surpassed the average gross sales**
2020 *(See Note 1 & 2)*	$308,334	$132,996	$118,802	$72,779	11 / 58%
2021 (Note 3)	$372,064	$215,186	$202,721	$100,787	10 / 53%

GROSS PROFIT INFORMATION OF REPORTING FRANCHISES FOR FY 2020 & 2021			
Year	***Number of Franchises***	***Average Gross Profit Margin (See Note 4)***	**# and % of outlets that attained or surpassed the average gross sales**
2020	14	56% *(See Note 2)* *Median 59%*	7 / 50%
2021	19	Average 60%% Median 62%	10 / 53%

Note 1. We had 20 franchised outlets as of December 31, 2020, all of which were impacted by the COVID-19 pandemic. However, only 18 out of the 21 franchised outlets were in operation for the entire fiscal year 2020. For the information provided above we used sales information from a subset of 14 of our 18 franchised Stores that were in operation for the entire fiscal year in 2020. These 14 Stores are Stores that we believe provide us with consistent and accurate data, are a reasonable representation of our franchise system, and continued to provide services during the COVID-19 pandemic as recommended by us. The data for the 4 Stores that did not continue to provide services during the COVID-19 pandemic are reported separately below:

GROSS SALES OF FRANCHISES WHO TEMPORARILY CEASED OPERATIONS DURING FY 2020					
Year	***High***	***Average***	***Median***	***Low***	**# and % of outlets that attained or surpassed the average gross sales**
2020 *(See Note 1)*	$67,906	$55,027	$57,366	$44,976	2 / 50%

GROSS PROFIT INFORMATION OF FRANCHISES WHO TEMPORARILY CEASED OPERATIONS DURING FY 2020			
Year	***Number of Franchises***	***Average Gross Profit Margin See Note 4***	**# and % of outlets that attained or surpassed the average gross sales**
2020	4	*66% (See Note 2)* *Median 67%*	2 / 50%

Note 2. In 2020 some outlets may have received SBA Paycheck Protection Program loans, SBA loan relief under the CARES Act, or other forms of financial assistance or relief in Fiscal Year 2020 that are not reflected in the above tables.

Note .3. We had 22 franchised outlets as of December 31, 2021. However, only 19 out of the 22 franchised outlets were in operation for the entire fiscal year 2021. The table reflects gross sales for the 19 franchised outlets.

Note 4. "Gross Profit Margin" is the Total Gross Revenue for each franchise minus the Cost of Goods Sold (avg. 10%) and Labor expenses (avg. 24%), expressed as a percent of Gross Revenue. The "Cost of Goods Sold" is defined as direct costs associated with producing a product or delivering a service. This does not include other indirect operating expenses, such as rent, that must be deducted from gross revenue to obtain your net income or profit.

Year to Year Same-Store Growth			
	Average Store Growth	**Median Store Growth**	**# and % of Outlets that attained or surpassed the average store growth**
Growth by Individual Outlets from 2019-2021 (*See Note 5*)	35%	18%	9 / 56%
Growth by Individual Outlets from 2020-2021 (*See Note 6*)	118%	87%	10 / 56%

Note 5. There were 23 outlets at the end of 2019, 20 outlets at the end of 2020, and 22 outlets at the end of 2021, of which 16 outlets operated for the entirety of all three years. This data reflects the average same-store sales growth from 2019 to 2021 for each of the 16 outlets that were open for the entire 2019, 2020, and 2021 fiscal years. The total System-Wide Growth from all outlets that operated in 2019, 2020, and 2021 was 25%.

Note 6. There were 20 outlets at the end of 2020, and 22 outlets at the end of 2021, of which 18 outlets operated the entirety of both years. This data reflects the average same-store sales growth from 2020 to 2021 for each of the 18 outlets that were open for the entire 2020 and 2021 fiscal years. The total System-Wide Growth from all outlets that operated in 2020 and 2021 was 95%.

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The table below provides the first 6 months of gross sales for locations that opened in 2020 and 2021. In 2020 we had 2 new outlets that opened, however, 1 outlet was excluded because it had previous operations at that location. In 2021, we had 4 new outlets opened, however, 1 outlet was excluded because it had previous operation at that location.

FIRST 6 MONTHS GROSS SALES FOR LOCATIONS OPENED SINCE PANDEMIC						
	First full month open	**Month 2**	**Month 3**	**Month 4**	**Month 5**	**Month 6**
Location 1 (opened June 2021)	$18,414	$41,530	$38,801	$33,260	$24,123	$23,989
Location 2 (opened June 2021)	$20,583	$5,893	$7,565	$10,104	$10,959	$14,475
Location 3 (Opened Jan 2021)	$9,319	$12,159	$16,569	$23,040	$21,688	$15,542
Location 4 (Opened June 2020)	$12,540	$11,568	$12,598	$17,216	$19,177	$19,238
Location 5 (not yet open, indicates pre-open sales March 2022)	$22,443	n/a	n/a	n/a	n/a	n/a

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

Other than the preceding financial performance representation, we do not make any financial performance representations. 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 Location, 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 from an employee of YCA Franchising, Inc., you should report it to the franchisor's management by contacting Julie Burleson, 7728 Central Park Drive, Waco, TX 76712, 54-751-1040, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20.
OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1

Systemwide Outlet Summary
For years 2019 to 2021

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2019	20	23	+3
	2020	23	20	-3
	2021	20	22	+2
Company-Owned	2019	2	1	-1
	2020	1	1	0
	2021	1	1	0
Total Outlets	**2019**	**22**	**24**	**+2**
	2020	**24**	**21**	**-3**
	2021	**21**	**23**	**+2**

Notes:

1. We do not own or operate any *Young Chefs Academy*® franchise. The "Company-Owned" outlets are owned by our affiliates for the purposes of this table and all other tables under Item 20.

TABLE NO. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2019 to 2021

State	Year	Number of Transfers
Arkansas	2019	0
	2020	0
	2021	1
Georgia	2019	1
	2020	0
	2021	0
Kansas	2019	1
	2020	0
	2021	0
New York	2019	0
	2020	1
	2021	0
Ohio	2019	1
	2020	0
	2021	0
Total	**2019**	**3**
	2020	**1**
	2021	**1**

TABLE NO. 3
Status of Franchised Outlets
For years 2019 to 2021

State	Year	Outlets At Start Of Year	Outlets Opened	Termin-ations	Non-Renewals	Reacquired By Franchisor	Ceased Operations Other Reasons	Outlets At End Of The Year
Arkansas	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
California	2019	1	0	1	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
Florida	2019	1	2	0	0	0	0	3
	2020	3	0	0	0	0	0	3
	2021	3	1	0	0	2	0	2
Georgia	2019	3	1	0	0	0	0	4
	2020	4	0	0	0	0	1	3
	2021	3	0	0	0	0	0	3
Idaho	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	1	0
	2021	0	0	0	0	0	0	0
Kansas	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Louisiana	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Maryland	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
New Jersey	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
New York	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Ohio	2019	4	0	0	0	0	0	4
	2020	4	0	0	2	0	0	2
	2021	2	1	0	0	0	0	3
Pennsylvania	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Texas	2019	2	1	0	0	0	0	3
	2020	3	1	0	1	0	0	3
	2021	3	2	0	0	0	0	5
Virginia	2019	1	0	0	0	0	0	1

State	Year	Outlets At Start Of Year	Outlets Opened	Termin-ations	Non-Renewals	Reacquired By Franchisor	Ceased Operations Other Reasons	Outlets At End Of The Year
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Washington	2019	0	0	0	0	0	0	0
	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Total	**2019**	**20**	**4**	**1**	**0**	**0**	**0**	**23**
	2020	**23**	**2**	**0**	**3**	**0**	**2**	**20**
	2021	**20**	**4**	**0**	**0**	**2**	**0**	**22**

TABLE NO. 4
Status of Company-Owned Outlets
For years 2019 to 2021

State	Year	Outlets At Start Of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets At End Of The Year
Florida	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
	2021	0	0	2	0	2	0
Texas	2019	2	0	0	0	1	1
	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
Total	**2019**	**2**	**0**	**0**	**0**	**1**	**1**
	2020	**1**	**0**	**0**	**0**	**0**	**1**
	2021	**1**	**0**	**2**	**0**	**2**	**1**

Table No. 5
Projected Openings as of December 31, 2022

State	Franchise Agreements Signed But Outlet Not Open	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Florida	1	8	0
Georgia	0	1	0
Louisiana	0	1	0
New Jersey	0	1	0
New York	0	4	0
South Carolina	1	1	0
Texas	0	1	0
TOTALS	2	17	0

Exhibit D contains the names, addresses, and telephone numbers of our franchised outlets as of the end of our last fiscal year.

Exhibit E contains the name and last known city, state and telephone number of every franchisee who has had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the application date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience as a *Young Chefs Academy*® franchisee. You may wish to speak with current and former franchisees but be aware that not all such franchisees will be able to communicate with you.

We are not aware of any franchisee organizations for all franchisees of our system.

Item 21.
FINANCIAL STATEMENTS

Exhibit F contains our unaudited Balance Sheet and Profit and Loss Statement as of March 31, 2022 as well as our audited financial statements for the years ending December 31, 2021, 2020, and 2019.

Item 22.
CONTRACTS

The following agreements are attached as exhibits to this Disclosure Document.

EXHIBIT B – Franchise Agreement
- Schedule 1 – Franchise Territory
- Schedule 2 – Lease Addendum

EXHIBIT G – Bank Authorization Form
EXHIBIT H – Personal Guaranty
EXHIBIT I – Consent to Transfer
EXHIBIT J – General Release
EXHIBIT K – State Specific Addenda and Riders
EXHIBIT L – Representation and Acknowledgement Statement

Item 23.
RECEIPTS

You must sign two copies of the Receipt attached as Exhibit N to this Disclosure Document. After execution, you keep one copy and provide the other to us.

EXHIBIT A

STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

State	State Administrator	Agent for Service of Process
California	The Department of Financial Protection and Innovation 320 West 4th Street Los Angeles, CA 90013 2101 Arena Blvd. Sacramento, CA 95834 1-866-275-2677	Commissioner of Financial Protection and Innovation 320 West 4th Street Los Angeles, CA 90013
Connecticut	The Banking Commissioner The Department of Banking, Securities and Business Investment Division 260 Constitution Plaza Hartford, CT 06103-1800 Phone Number (860) 240-8299	The Banking Commissioner The Department of Banking, Securities and Business Investment Division 260 Constitution Plaza Hartford, CT 06103-1800 Phone Number (860) 240-8299
Hawaii	Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813
Illinois	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706
Indiana	Secretary of State, Securities Division 302 West Washington Street, Room E-111 Indianapolis, IN 46204 (317) 232-6681	Secretary of State, Securities Division 302 West Washington Street, Room E-111 Indianapolis, IN 46204
Kentucky	Kentucky Attorney General 700 Capitol Avenue Frankfort, Kentucky 40601-3449 (502) 696-5300	
Maryland	Office of the Attorney General Securities Division	Maryland Securities Commissioner

	200 St. Paul Place Baltimore, MD 21202 (410) 576-6360	200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Department of Attorney General Consumer Protection Division – Franchise Unit 525 W. Ottawa Street G. Mennen Building Lansing, MI 48913 (517) 373-7117	Department of Attorney General 525 W. Ottawa Street G. Mennen Building Lansing, MI 48913
Minnesota	Minnesota Commissioner of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198
Nebraska	Nebraska Department of Banking and Finance 1200 N Street-Suite 311 Post Office Box 95006 Lincoln, Nebraska 68509 (402) 471-3445	
New York	NYS Department of Law Investor Protection Bureau 28 Liberty St. 21st Floor New York, NY 10005 212-416-8222	New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, New York 12231-0001 (518) 473-2492 Phone
North Dakota	Securities Commissioner North Dakota Securities Department 600 East Boulevard Avenue State Capital, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712	Securities Commissioner North Dakota Securities Department 600 East Boulevard Avenue State Capital, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510
Rhode Island	Department of Business Regulation Securities Division John O. Pastore Complex 1511 Pontiac Avenue, Bldg. 69-1 Cranston, RI 02920 (401) 462-9588	Department of Business Regulation Securities Division John O. Pastore Complex 1511 Pontiac Avenue, Bldg. 69-1 Cranston, RI 02920 (401) 462-9588
South Dakota	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-773-3563	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501

Texas	Secretary of State Statutory Document Section P.O. Box 12887 Austin, TX 78711 (512) 475-1769	
Utah	Department of Commerce Division of Consumer Protection 160 East 300 South Salt Lake City, Utah 84111-0804 (801) 530-6601	
Virginia	State Corporation Commission Division of Securities and Retail Franchising, 9th Floor 1300 E. Main Street Richmond, VA 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219
Washington	Washington State Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507 (360) 902-8760	Securities Administrator Washington State Department of Financial Institutions 150 Israel Road SW Tumwater, WA 98501
Wisconsin	Wisconsin Department of Financial Institutions 345 West Washington Avenue Madison, WI 53703 (608) 266-8557	Wisconsin Department of Financial Institutions 345 West Washington Avenue Madison, WI 53703

EXHIBIT B

FRANCHISE AGREEMENT

YOUNG CHEFS®
ACADEMY

Franchise Agreement

YCA Franchising, Inc.
7728 Central Park Drive
Waco, TX 76712

(254) 751-1040

YOUNG CHEFS® ACADEMY
FRANCHISE AGREEMENT

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FRANCHISE AGREEMENT

This **FRANCHISE AGREEMENT** (“**Agreement**”) is dated _________________, 20____ (the “**Effective Date**”) between **YCA FRANCHISING, INC**., a Texas corporation having its principal place of business at 7728 Central Park Drive, Waco, TX 76712 (hereinafter “**Young Chefs**”); and, ________________________________, individually, having an address of ______________________________ (hereinafter collectively “**Franchisee**”).

INTRODUCTION AND RECITALS

Young Chefs has invested considerable time, effort and money to develop a system and method of operating a cooking school for children (more fully defined below as the “**Young Chefs Franchise**”) using the Young Chefs System (as defined in Section 6.A.); and

Young Chefs has developed and may continue to develop certain trade names, service marks, emblems and logos, including, but not limited to, Young Chefs Academy®, for the operation of Young Chefs Franchises (collectively referred to as “**Young Chefs Marks**”); and

Young Chefs is engaged in the business of granting franchises to operate Young Chefs Franchises using the Young Chefs System and the Young Chefs Marks; and

Franchisee recognizes the value of uniformity in a franchise system and especially using the Young Chefs System, and Franchisee recognizes the value of Young Chefs’ knowledge and experience gained through the operation of Young Chefs Franchises; and

Franchisee has studied and fully understands the Young Chefs System and Young Chefs Marks, the importance of maintaining Young Chefs’ high standards and adhering to the terms and conditions of this Agreement, has reviewed Young Chefs’ disclosure document and this Agreement, and has had the opportunity to familiarize itself with the Young Chefs System; and

Franchisee recognizes the benefits to be derived from being identified with the Young Chefs System and licensed by Young Chefs to use its name and the Young Chefs Marks and recognizes the value of the Young Chefs Marks; and desires to acquire a franchise to operate a Young Chefs Franchise.

Franchisee desires to acquire and operate a Young Chefs Franchise within the area set out in Schedule 1 herein (the “**Franchised Territory**”) for the entire Term of this Agreement (as defined below), Franchisee acknowledges receipt of a copy of the Franchise Disclosure Document of Young Chefs and Franchisee has had a full and adequate opportunity to be thoroughly advised of the terms and conditions of this Agreement by financial and legal counsel of Franchisee's own choosing prior to its execution, and is entering into this Agreement after having made an independent investigation of Young Chefs’ operations and not upon any representation as to the profits and/or sales volume which Franchisee might be expected to realize, nor upon any representations or promises by Young Chefs which are not contained in this Agreement.

FRANCHISEE ACKNOWLEDGES THAT (1) THE SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED HEREIN INVOLVES SUBSTANTIAL RISKS AND DEPENDS UPON THE ABILITY OF THE FRANCHISEE, HIS/HER BUSINESS ACUMEN AND HIS/HER COMPETENCE AS AN INDEPENDENT BUSINESS PERSON AND HIS/HER ACTIVE PARTICIPATION IN THE DAILY AFFAIRS OF THE BUSINESS, AND (2) NO ASSURANCE OR WARRANTY, EXPRESS OR IMPLIED, HAS BEEN GIVEN AS TO THE POTENTIAL SUCCESS OF SUCH BUSINESS VENTURE OR THE GROSS REVENUES, VOLUME OR EARNINGS LIKELY TO BE ACHIEVED, AND (3) NO STATEMENT, REPRESENTATION OR OTHER ACT, EVENT OR COMMUNICATION, EXCEPT AS SET FORTH HEREIN, IS BINDING ON YOUNG CHEFS IN CONNECTION WITH THE SUBJECT MATTER OF THIS AGREEMENT.

BEFORE SIGNING THIS AGREEMENT, THE FRANCHISEE SHOULD READ IT CAREFULLY WITH THE ASSISTANCE OF LEGAL COUNSEL IN UNDERSTANDING THE TERMS, CONDITIONS, COVENANTS AND WARRANTIES CONTAINED HEREIN.

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

1. GRANT OF FRANCHISE

A. Grant of Franchise. Young Chefs hereby grants to Franchisee, and Franchisee accepts, a license to use the Young Chefs Marks and the Young Chef Systems to open and operate one (1) Young Chefs Franchise at the Accepted Site (as defined in Section 4.A.), in accordance with the terms and conditions set forth in this Agreement. For the purpose of this Agreement, the Young Chefs Franchise shall be deemed to include any and all activities and aspects encompassing a cooking school providing cooking lessons to children and adults.

B. Territory and Unit. The Young Chefs Franchise is granted only for the Franchised Territory listed on Schedule 1. The operations of Franchisee's Young Chefs Franchise must be conducted at the Accepted Site (as defined in Section 4.A.) that is located within the limits or boundaries of the Franchised Territory, that is approved by Young Chefs in accordance with Section 4 of this Agreement. Franchisee is restricted from operating any other type of business other than a Young Chefs Franchise in association in any way with the Young Chefs Franchise without prior written permission from Young Chefs.

C. Franchised Territory Rights. This license is specifically limited to the Franchised Territory and does not grant rights of any kind to any other territory, market, or development area. Young Chefs may promote the sale and operation of franchises outside the Franchised Territory without any interference from Franchisee. In order to adequately respond to changing market conditions, subject only to the restrictions described in this Agreement, Young Chefs reserves the rights to use other channels of distribution or license the use of alternative proprietary marks or methods in connection with the operation of businesses that may be similar to or different from the Young Chefs Franchise at any location on any terms and conditions that Young Chefs deems advisable without granting Franchisee any right thereto.

2. TERM OF AGREEMENT

A. Term. The term of this Agreement shall be for a period of 10 years from the Effective Date of this Agreement (the "**Term**"), subject to earlier termination as provided in this Agreement.

B. Renewal of this Agreement. Franchisee must notify Young Chefs, at least six (6) months and no more than one (1) year prior to the expiration of this Agreement, requesting Young Chefs to renew the rights granted under this Agreement for an additional period of five (5) years ("**Renewal**"). Failure of Franchisee to provide Young Chefs such written notice requesting Young Chefs to renew the rights granted under this Agreement as required by this Section shall mean that Franchisee does not want a Renewal; and, Young Chefs shall therefore have the right to proceed as it deems necessary to protect its interests in the Franchised Territory, including, but not limited to, proceeding with still offering a Renewal to Franchisee or pursuing a new sale with a third party for the Franchised Territory. Young Chefs is not required or obligated to provide Franchisee with any notice concerning the upcoming expiration of this Agreement. Young Chefs shall have up to ninety (90) days from receipt of such written request from Franchisee to provide Franchisee a written response that may be an approval, denial or extension of time for which Young Chefs has to grant such a denial or approval. If the request is not ultimately denied by Young Chefs, then Franchisee shall complete the remaining conditions under this Section prior to the Renewal being granted. Franchisee is not guaranteed a Renewal and is only granted a Renewal if Young Chefs offers it. Upon acceptance of the offer for Renewal, Franchisee shall comply with all of the following and failure to so comply prior to the expiration of this Agreement shall automatically terminate this Agreement upon its own terms:

1. Franchisee shall be in strict compliance with this Agreement;

2. Franchisee shall add or replace equipment, fixtures and signs and modify the Young Chefs Franchise and location to bring it into compliance with specifications and standards then applicable for new Young Chefs franchises, including any applicable re-imaging;

3. Franchisee and its owners shall execute a general release of any and all claims against Young Chefs, its officers, directors, agents, and employees in the form prescribed by Young Chefs; and

4. Franchisee and its owners shall execute a new franchise agreement in the then current franchise agreement form being used by Young Chefs for the award of new franchises, which may differ from this Agreement;

5. Franchisee shall remit to Young Chefs a fee in the amount of Ten Thousand Dollars ($10,000) ("**Renewal Fee**");

6. Franchisee shall complete and/or execute any other documents that are required by Young Chefs; and

7. Franchisee shall complete any training required by Young Chefs at that time.

C. No Franchisee Right to Terminate. There are no conditions contained in this Agreement under which Franchisee may terminate this Agreement prior to the expiration of the Term, except by mutual written agreement with Young Chefs together with the execution of a mutual release; or by sale, transfer or assignment of the Young Chefs Franchise with the approval of Young Chefs in accordance with this Agreement.

3. FEES AND PAYMENTS

A. Method of Payment. Franchisee shall remit all payments due to Young Chefs under this Agreement by electronic funds transfer ("**EFT**"), bank draft, cashier's check or any other form or format as determined solely by Young Chefs. Franchisee, upon signing this Agreement, shall provide Young Chefs with a bank account from which Franchisee and Young Chefs are legally authorized to withdraw funds ("**Franchisee's Bank Account**"). Young Chefs may initiate all EFT for payments owed to Young Chefs by Franchisee from Franchisee's Bank Account. Franchisee shall sign any and all documents required by Young Chefs to grant legal authorization to Young Chefs to withdraw funds from Franchisee's Bank Account; however, such authorization to Young Chefs is deemed given and effective by Franchisee's signature on this Agreement. Franchisee shall not terminate such authorization as long as this Agreement is in effect. Franchisee shall not close Franchisee's Bank Account without prior notice to Young Chefs and establishing a substitute bank account authorizing EFTs initiated by Young Chefs. Failure of the Franchisee to provide Franchisee's Bank Account or remit payments in accordance with this Agreement is a material intentional default of this Agreement. Failure of the Franchisee to timely provide a bank account from which Franchisee and Young Chefs are legally authorized to withdraw funds and provide written authorization to Young Chefs for transferring funds electronically from Franchisee's Bank Account, shall be a material and intentional breach and default of this Agreement. A return of an EFT unpaid for any reason for any payment shall be a material default of this Agreement and may result in the termination of this Agreement and forfeiture of all monies paid by Franchisee to Young Chefs. Failure of Franchisee to timely make each payment due under this Agreement to Young Chefs as set out herein shall be a material default of this Agreement and may result in the termination of this Agreement and forfeiture of all monies paid by Franchisee to Young Chefs.

B. Initial Franchise Fee. In consideration of the Young Chefs Franchise granted in this Agreement by Young Chefs to Franchisee, Franchisee shall pay to Young Chefs the sum of Forty Five Thousand and No/100 Dollars ($45,000) ("**Initial Franchise Fee**") in the form of a cashier's check or wire transfer on execution of this Agreement, or as otherwise required by Young Chefs. If Franchisor approves the purchase of a subsequent Young Chefs Franchise, Franchisor may reduce the then-current initial franchise fee by $10,000 on each additional territory.

C. Taxes. The Initial Franchise Fee does not include any amount for taxes. As required pursuant to this Agreement, Franchisee is responsible for all applicable taxes owed for any part of the Initial Franchise Fee. If Young Chefs is required by law to collect taxes from Franchisee for any part of the Initial Franchise Fee, then Franchisee shall remit payment to Young Chefs for such taxes upon execution of the Agreement and in addition to the Initial Franchisee Fee.

D. Initial Franchise Fee Earned. Franchisee hereby acknowledges and agrees the Initial Franchise Fee is fully earned by Young Chefs upon execution of this Agreement and is non-refundable under any circumstances, including, without limitation, termination of this Agreement due to Franchisee's failure to open the Young Chefs Franchise in accordance with Section 4 of this Agreement.

E. Training Fee. If Young Chefs is granting the Young Chefs Franchise under this Agreement to Franchisee due to a transfer of any interests of the Young Chefs Franchise by another owner to Franchisee, whether by purchase or by gift, Franchisee shall remit to Young Chefs the sum of Two Thousand Dollars ($2,000) ("**Training Fee**") prior to the transfer of any such interests for the Initial Training Franchisee is required to successfully complete as required pursuant to this Agreement.

F. Grand Opening Inventory. Prior to opening the Young Chefs Franchise, Franchisee must purchase at least two thousand five hundred dollars ($2,500) of inventory made up of logo apparel, kitchen utensils and other items required by Young Chefs to sell to the public upon the opening of the Young Chefs Franchise ("**Grand Opening Inventory**"). Franchisee must purchase the Grand Opening Inventory from Young Chefs or a supplier approved by Young Chefs.

G. Grand Opening Marketing and Advertising. Franchisee must spend at least two thousand dollars ($2,000) on marketing and advertising for the opening of the Young Chefs Franchise. Such marketing and advertising shall include marketing promotional materials as may be suggested or required by Young Chefs and a grand opening event as required by Young Chefs.

H. Monthly Royalty Fee. Franchisee shall pay to Young Chefs a continuing monthly royalty fee ("**Monthly Royalty Fee**") equal to five percent (5%) of Franchisee's monthly Gross Sales as defined herein for the use of the Young Chefs System and the Young Chefs Marks. Notwithstanding anything to the contrary in this Agreement, in no event shall the Monthly Royalty Fee be less than Four Hundred Dollars ($400) ("**Minimum Monthly Royalty Fee**") for the Term of this Agreement.

The Monthly Royalty Fee is due on or before the fifth (5th) day of each month in accordance with this Section. The Monthly Royalty Fee commences either upon the opening of the Young Chefs Franchise to the general public or two hundred seventy (270) days from the Effective Date (in which case the Minimum Monthly Royalty Fee would be due until the Young Chefs actually opens), whichever occurs first. As long as the Young Chefs Franchise is open within two hundred seventy (270) days from the Effective Date, Young Chefs will assess the Monthly Royalty Fee without the Minimum Monthly Royalty Fee for the first three (3) months that the Young Chefs Franchise is open. The Monthly Royalty Fee is not refundable, with the exception of any fees that may have been overpaid to Young Chefs in error by Franchisee.

I. Advertising, Sales Promotion and Public Relations. Franchisee shall pay to Young Chefs a continuing monthly advertising fee ("**Monthly Advertising Fee**") equal to two percent (2%) of Franchisee's monthly Gross Sales as defined herein. Notwithstanding anything to the contrary in this Agreement, in no event shall the Monthly Advertising Fee be less than One Hundred Dollars ($100) ("**Minimum Monthly Advertising Fee**") for the Term of the Agreement. The Monthly Advertising Fee is due on or before the twentieth (20^{th}) day of each month in accordance with this Section. The Monthly Advertising Fee commences either upon the opening of the Young Chefs Franchise to the general public or two hundred seventy (270) days from the Effective Date (in which case the Minimum Monthly Advertising Fee would be due until the Young Chefs actually opens), whichever occurs first. As long as the Young Chefs Franchise is open within two hundred seventy (270) days from the Effective Date, Young Chefs will assess the Monthly Advertising Fee without the Minimum Monthly Advertising Fee for the first three (3) months that the Young Chefs Franchise is open. The Monthly Advertising Fee is not refundable, with the exception of any fees that may have been overpaid to Young Chefs in error by Franchisee.

All Monthly Advertising Fee contributions, interest, dividends and other amounts earned thereon ("**Advertising Fund**"), less direct administrative expenses, shall be used, with any interest being used first in its entirety before any other component of the Advertising Fund, for (a) market research expenditures directly related to the development and evaluation of the effectiveness of advertising and sales promotions, (b) creative, production and other costs incurred in connection with the development of advertising, sales promotions and public relations, both the market area of Franchisee's Young Chefs Franchise, as reasonably defined from time to time by Young Chefs, and on a national basis, and (c) various methods of delivering the advertising or promotional message, including, without limitation, television, radio, outdoor and print. If less than the total of all contributions to the Advertising Fund are expended during any fiscal year, such excess may be accumulated for use during subsequent years. If Young Chefs advances money or labor to the Advertising Fund, Young Chefs shall be entitled to be reimbursed for such advances.

The Advertising Fund shall be used on national, regional or local media or other marketing techniques or programs designed to promote and enhance the image, identity or patronage of the franchises and to communicate the services of the franchises to the public in the sole discretion of Young Chefs, as well as for any creation and production costs incurred by Young Chefs and for any reasonable accounting, administrative and legal expenses associated with the Advertising Fund and for other purposes deemed appropriate by Young Chefs to enhance and promote the general recognition of the Young Chefs System and Young Chefs Marks. The allocation of the Advertising Funds between national, regional, and local advertising expenditures and administrative expenditures shall be made by Young Chefs in its sole business judgment. Young Chefs shall not be liable for any act or omission with respect to the Advertising Fund which is consistent with this Agreement or done in good faith.

Franchisee is also required to spend 3% of your previous month's Gross Sales with a minimum of $500 per month on local advertising ("**Local Marketing Expenditure Amount**").

Young Chefs may require Franchisee to participate in a local or regional advertising cooperative if such is formed that, in the sole discretion of Young Chefs, includes a trading area that includes the Franchised Territory. Such participation may involve, for example, paying Franchisee's pro rata share of the cost of advertising placed on behalf of Franchisee and other Young Chefs franchises in the local or regional advertising cooperative. Young Chefs may authorize such cooperatives to adopt bylaws under which its members may vote on contributions and activities of such cooperatives. Any contributions by Franchisee to such cooperatives will count toward the Local Marketing Expenditure Amount but will be in addition to the Monthly Advertising Fee.

Franchisee must conduct all local advertising and promotions in accordance with such provisions with respect to format, content, and media, as are from time to time contained in the Confidential Operations Manual (as defined in Section 6.A.) or in any bulletin or other communication issued by Young Chefs. Franchisee shall not use any advertising and promotional material unless it is approved by Young Chefs in writing.

J. Gross Sales. The term "**Gross Sales**" means all revenue derived from the operation of Franchisee's Young Chefs Franchise, including, but not limited to, all revenues generated from any and all sources on account of sale of memberships, sale of any products and goods, and rendering of any service of any kind or nature, at or from Young Chefs Franchise, or under, or in any way connected with the use of, the Young Chef Marks, whether for cash, check, credit, barter or otherwise, without reserve or deduction for inability or failure to collect the same; less (i) all applicable federal, local, and state sales, use or service tax collected from franchise customers and paid to the relevant authorities, and (ii) the amount of any actual refunds, rebates, over-rings, and allowances given to members or customers in good faith. Gross Sales includes the proceeds of any business interruption insurance or similar insurance proceeds Franchisee may receive to replace any lost revenue due to business interruption that is caused by a casualty or other similar event.

K. Reporting. On or before the fifth (5^{th}) day of each month of the Term of this Agreement beginning when Monthly Royalty Fees and Monthly Advertising Fees first become due pursuant to this Section, Franchisee shall submit to Young Chefs a monthly sales report verified by Franchisee on electronic format (or whatever format Young Chefs requires) required by Young Chefs, reporting all Gross Sales for Young Chefs Franchise for the preceding month and such additional financial information as Young Chefs may request ("**Monthly Sales Report**"). Franchisee shall be solely responsible for any reports submitted to Young Chefs. Young Chefs may change the format in which Franchisee provides the Monthly Sales Reports with notice to Franchisee. Young Chefs may require Franchisee to purchase, use and maintain a point of sale ("**POS**") system, to purchase and maintain the computer hardware and software necessary for such POS system and to remit to Young Chefs a continuing monthly fee for use of such POS system in the operation of the Young Chefs Franchise. Franchisee shall pay Franchisor $100 per occurrence if Franchisee fails to submit required reports as required.

L. Other Fees, Costs, Expenses, Taxes, Etc. Franchisee shall remit to Young Chefs any and all payments fees, costs, expenses, taxes and charges which are paid by Young Chefs, in Young Chefs' sole discretion and without any obligation to do so, on behalf of Franchisee in connection with products, services, supplies, marketing materials, equipment, goods, materials or inventory furnished to Franchisee by Young Chefs or by any third party, or otherwise, including, but not limited to, amounts paid to vendors, contractors, insurance carriers and any sales, use, transfer or other taxes, assessments or charges paid to governmental agencies arising from the existence, operation or maintenance of Young Chefs Franchise. Any payment due under this paragraph shall be remitted in accordance with Section 3A of this Agreement.

M. Payments. Franchisee authorizes Young Chefs to automatically withdraw from Franchisee's Bank Account any fees due under this Agreement on the dates such fees are due, including any and all late fees, Brand Compliance Fees and penalties. All payments required to be made to Young Chefs under this Agreement shall be made at an address designated by Young Chefs in Woodway, Texas; or, to such addresses and to such parties as Young Chefs may designate in writing.

N. Late Payments and Remedies. Each fee or payment owing to Young Chefs pursuant to this Agreement that is more than five (5) days late shall incur a late fee of Fifty Dollars ($50). In addition, any amount owed to Young Chefs that is more than ten (10) days late shall accrue interest at the lesser of eighteen percent (18%) per annum or the highest rate allowed by law until paid. At any time, Franchisee has an outstanding amount due under this Agreement, Young Chefs may collect such outstanding amount from any funds due to Franchisee held by Young Chefs or an affiliate of Young Chefs, including from funds received as part of any program or any other promotion for the collection of membership dues. Nothing in this Agreement is to be construed to mean that Franchisee shall pay, or has contracted to pay, any sum in excess of that which may lawfully be charged or contracted for under any applicable law. The intention of the parties is to conform strictly to applicable usury laws, and it is agreed that if an excess is inadvertently collected, it shall be applied to reduce the amount owed by Franchisee. No claim by Franchisee that Young Chefs is in default under any provision hereof shall be a defense to a claim by Young Chefs for Monthly Royalty Fees, Monthly Advertising Fees, or other amounts owing hereunder. Franchisee shall not, on the grounds of an alleged non-performance by Young Chefs of any of its obligations hereunder, withhold payment of any amounts due to Young Chefs.

O. Applicable Law. Franchisee understands that it may be required, under applicable federal, state, or local law, to secure permission, licensing and/or permits from all appropriate government authorities to operate a cooking school, food handling facility or other nutritional food related business. Franchisee is solely responsible to familiarize itself with all applicable laws and regulations of its state or locality, and Young Chefs has made no representations as to the nature of such laws or Franchisee's ability to qualify under such laws. Franchisee is responsible for any applicable sales tax, or any other tax applicable to the purchase of the Young Chefs Franchise.

4. LOCATION AND OPENING OF YOUNG CHEFS FRANCHISE

A. Location Selection and Approval. The location for Franchisee's Young Chefs Franchise must be approved in advance in writing by Young Chefs. Franchisee must always operate its Young Chefs Franchise only at a location approved in writing by Young Chefs (the "Accepted Site"). Franchisee must use its best efforts to find a suitable location for its Young Chefs Franchise within the Franchised Territory. Franchisee must provide to Young Chefs, in a form acceptable to Young Chefs, a description of the proposed Accepted Site, evidence confirming Franchisee's prospects for obtaining the site, demographic information, economic terms, and any other materials that Young Chefs may reasonably request in order to approve a proposed Accepted Site. Although Young Chefs may provide assistance in finding an Accepted Site, it is Franchisee's sole responsibility to find a suitable location for its Young Chefs Franchise and to evaluate the commercial value of the Accepted Site for the operation of its Young Chefs Franchise. Young Chefs' assistance in identifying the Accepted Site or recommendations or approval of the Accepted Site does not constitute its representation or guaranty of the commercial value, profitability or success of the Accepted Site or the Young Chefs Franchise. Young Chefs will not be responsible or liable to Franchisee for any claims relating to selection of the Accepted Site, and Franchisee unconditionally releases Young Chefs from any such claims. Franchisee must obtain a signed lease for the Accepted Site (the "Lease") within 180 days of the date of this Agreement failing which this Agreement may be terminated by Young Chefs. However, if Franchisee is unable to obtain a signed lease for the Accepted Site within 180 days after signing this Agreement, Franchisee may seek a one-time extension of the deadline by 180 days to obtain the signed lease. In order to seek such extension, Franchisee must, no later than 30 days before the end of the 180-day period after signing this Agreement: (1) notify Young Chefs in writing that Franchisee intends to extend the deadline to obtain the signed lease; and (2) pay a nonrefundable fee of $5,000.

B. Lease Requirements. Young Chefs reserves the right to review the Lease before Franchisee executes it. Although Young Chefs has the right to review the Lease, Franchisee acknowledges that Young Chefs will not evaluate or be responsible for the commercial reasonableness or suitability of the lease and that Franchisee has those responsibilities. The Lease must provide for certain provisions specified by Young Chefs in its Addendum to Lease. A copy of Young Chefs' current form Addendum to Lease is attached hereto as Schedule 2. Except as expressly provided in this Agreement, Franchisee must not assign the Lease or let or sublet the Accepted Site or any portion of the Accepted Site without the prior written consent of Young Chefs.

C. Development of Store. Franchisee must fully develop its Young Chefs Franchise in accordance with Young Chefs' specifications. Franchisee must also periodically improve the Accepted Site in compliance with Young Chefs' specifications, including but not limited to specifications for build-out, decor, signage, equipment layout, space, awnings, umbrellas, etc. Young Chefs must approve in writing all drawings, plans and specifications relating to the design, construction and/or improvement of the Accepted Site. Franchisee must complete development of the Accepted Site and purchase and install all equipment, fixtures, signs and supplies specified by Young Chefs at the Accepted Site before opening its Young Chefs Franchise. Young Chefs will have the right to inspect and approve the construction before Franchisee opens its Young Chefs Franchise to make sure Young Chefs' specifications have been followed. If, in the opinion of Young Chefs, Young Chefs' specifications have not been followed, Franchisee must resolve any issues to the satisfaction of Young Chefs before opening its Young Chefs Franchise. Although Young Chefs has the right to review and comment on and must approve all drawings, plans and specifications relating to the design, construction, and/or improvement of the Accepted Site, Young Chefs is only acting to ensure compliance with Young Chefs' specifications. Franchisee -acknowledges that Young Chefs will not evaluate or be responsible for compliance with governmental requirements, legal requirements or adequacy of design and engineering relating to the design and construction and/or improvement of the Accepted Site and that Franchisee is solely responsible for those matters.

D. No Guarantee. Young Chefs does not warrant, represent, guarantee or assure Franchisee that the Young Chefs Franchise herein granted will be successful or profitable, nor that the Accepted Site selected by the Franchisee will be a viable one for the operation of a Young Chefs Franchise, nor that the franchise granted herein will meet Franchisee's expectations. Franchisee hereby waives and releases any right or claim in connection therewith against Young Chefs or any of its affiliates, including, but not limited to, any claim relating to the selection or location of the Accepted Site. Franchisee understands and acknowledges that Young Chefs has done no research or due diligence as to rental rates, interest rates, unemployment rates, demographic trends, social fads or the general economic climate regarding the Accepted Site; and, that such is the sole responsibility of Franchisee. Franchisee understands and acknowledges that the suitability of a location and the success of any franchise operation, including the one licensed to Franchisee pursuant to this Agreement, depends on many factors outside the control of Young Chefs or Franchisee (including, without limitation, such factors as interest rates, unemployment rates, demographic trends, social fads and the general economic climate), but the ultimate success of the Young Chefs Franchise depends primarily upon the Franchisee's efforts and abilities in the operation of the Young Chefs Franchise.

E. Re- Location. Franchisee shall not move or relocate the Approved Site without the prior written acceptance by Young Chefs and the payment by Franchisee to Young Chefs of a Re-Location Fee in the amount of Five Hundred Dollars ($500) payable upon the submission for acceptance of a new site. The Re-Location Fee is not refundable regardless of whether the requested new site is accepted by Young Chefs or Franchisee actually relocates the Young Chefs Franchise. To request a relocation of the Young Chefs Franchise, Franchisee shall submit to Young Chefs a written request stating the new proposed location (which must be within the Franchised Territory) and a copy of the proposed lease for the proposed location at least ninety (90) days prior to the date of intended relocation. Franchisee shall not relocate the Young Chefs Franchise without the written acceptance of the proposed location by Young Chefs. Young Chefs has the sole discretion to accept or deny Franchisee's request for new location site for the Young Chefs Franchise.

F. Opening. Franchisee shall open the Young Chefs Franchise within two hundred seventy (270) days after the Effective Date. Young Chefs, in its sole discretion and judgment, may grant Franchisee additional time to open through a written extension and for a period as determined by Young Chefs. To obtain an extension of time to open, Franchisee must submit a written request which states: 1) that a delay is anticipated; 2) the reasons that caused the delay; 3) the efforts that Franchisee is making to proceed with the opening; and 4) an anticipated opening date if an extension is granted. Any extension of time to open does not affect the requirement of Franchisee to pay Monthly Royalty Fees and Monthly Advertising Fees as required by Section 3. Young Chefs may terminate this Agreement without refunding any part of the Initial Franchise Fee and any fees paid pursuant this Agreement if Franchisee is in violation of this provision.

G. Opening Date. Franchisee shall submit to Young Chefs a written request for approval of an opening date for the Young Chefs Franchise. Young Chefs has the sole discretion in granting an opening date for the Young Chefs Franchise ("**Opening Date**") and will consider the following factors in determining acceptance of any opening date: (i) Franchisee's strict compliance with all provisions of this Agreement and any other agreement between Franchisee and Young Chefs and (ii) the availability of Young Chefs or independent contractors used by Young Chefs to assist Franchisee with opening.

H. Delay in Opening. If Franchisee is not in strict compliance with all provisions of this Agreement prior to the Opening Date, then Young Chefs has the sole discretion to cancel the Opening Date. Young Chefs may then reschedule to a date solely determined by Young Chefs or may terminate this Agreement. Franchisee is responsible for all expenses of Young Chefs related to this Young Chefs Franchise if the Opening Date is not met due to a breach of this Agreement by Franchisee.

I. Use of Accepted Site. The Accepted Site must be used exclusively for the purpose of operating the Young Chefs Franchise and for no other business. If the Accepted Site is damaged or destroyed by fire or other casualty or be required to be repaired or reconstructed by any governmental authority, Franchisee shall at its own expense, repair or reconstruct the Accepted Site within a reasonable time under the circumstances. The minimum acceptable appearance for the restored Accepted Site will be that which existed just before the casualty; however, Young Chefs may require Franchisee to have the restored the Young Chefs Franchise to reflect the then current image, design and specifications of Young Chefs franchises.

5. TRAINING

A. Initial Training. Young Chefs shall provide training classes for Franchisee at a location and time designated by Young Chefs ("**Initial Training Program**"). The Initial Training Program shall consist of training in the operation of a cooking school for children. It is mandatory that Franchisee successfully complete the Initial Training Program and any other required training before opening. For transfers in which Young Chefs Franchise is already open, Franchisee or the Operating Principal (as defined in Section 6.O.), as applicable, must successfully complete the Initial Training Program and any other required training within 45 days of the Effective Date. It is strongly recommended that Franchisee or the Operating Principal, as applicable, attend the first Initial Training Program scheduled to be held by Young Chefs after the Effective Date.

B. Owner and Manager. The Initial Training Program must be satisfactorily completed by the Manager (as defined in Section 6.O.) and the Franchisee or the Operating Principal, as applicable, before Franchisee can open the Young Chefs Franchise. Failure of the Operating Principal and the Manager to timely attend and successfully complete training is a material breach of this Agreement for which Young Chefs may terminate this Agreement.

C. Charges and Costs. There is no fee charged for the Initial Training Program. All expenses of Franchisee and its attendees, including travel, lodging, meals, transportation, compensation of and worker's compensation insurance for the attendees enrolled in the Initial Training Program and any other personal and/or incidental expenses, shall be the sole responsibility of the Franchisee. Young Chefs will not charge any fees for training for replacement Managers or additional employees; however, Franchisee must pay Young Chefs reasonable costs and expenses related to travel, lodging, meals, and transportation of Young Chefs' representatives.

D. Franchisee Training and Staffing. Franchisee shall always have a Manager that has successfully attended the Initial Training Program. If a Manager ceases employment with Franchisee, then Franchisee shall have a replacement Manager successfully complete the Initial Training Program within thirty (30) days of the previous Manager's ceasing of employment or the soonest the Initial Training Program is offered if beyond such thirty (30) days. Franchisee shall train and instruct each person employed in the operation of the Young Chefs Franchise, other than those instructed by Young Chefs, in the methods and techniques of the Young Chefs System developed by Young Chefs. Such training and instruction shall be based upon and given in accordance with the Confidential Operations Manual (defined below) and shall be provided before participation by such employee in the operation of the Young Chefs Franchise. If Franchisee requests training in addition to that provided for above, Young Chefs may provide such training to Franchisee and its employees at such a time and place and for such duration as may be mutually convenient; provided, however, Franchisee will be solely responsible for paying Franchisor's current daily rate per trainer plus expenses. There is a two-day minimum for assistance. If requested by Young Chef, fees and costs will be paid in advance. Young Chefs may hold additional training programs or seminars that Franchisee and/or its employees are required to attend.

E. Non-Disclosure. Franchisee acknowledges and agrees that all training provided by Young Chefs is and includes methods, concepts and materials ("**Training Information**") that are confidential and proprietary material owned solely by Young Chefs. Therefore, each person in attendance at any training provided by Young Chefs shall be required to sign an agreement in a form provided by Young Chefs that prohibits the unauthorized disclosure or use of any Training Information. By signing this Agreement, Franchisee acknowledges the confidential and proprietary nature of the Young Chefs material and agrees to the non-disclosure provisions set forth herein.

F. Annual Conferences. Young Chefs may organize an annual conference either at its principal place of business (currently, Waco, Texas) or at any other location that it deems fit. Young Chefs strongly recommends that all Young Chef Franchise owners to attend the annual conference. Franchisee must pay the then-current annual conference fee to Young Chefs, regardless of whether it or its representatives attend the annual conference. Franchisee shall be solely responsible for all expenses of its attendees, including travel, lodging, meals, transportation, salary, and any other incidental expenses.

6. STANDARDS AND CONSISTENCY OF OPERATION

A. Manuals and the Young Chefs System. Young Chefs shall maintain online, in an electronic format on Young Chefs Management System (as defined below), one or more manuals, bulletins, supplements, or other written or audio-visual materials (collectively referred to as the "**Confidential Operations Manual**") containing Young Chefs' mandatory and suggested standard procedures, policies, rules and regulations relating to the operation of Young Chefs Franchise, including without limitation, the design, decor, equipment system, color scheme and style of building and signage, and quality of products and services offered, (collectively, the "**Young Chefs System**").

1. Young Chefs may make modifications to the Confidential Operations Manual at any time as Young Chefs deems necessary. Unless otherwise agreed to in writing by Young Chefs, Franchisee shall comply with such modifications within fifteen (15) days of written notice of such modifications which may be provided by electronic communications. Young Chefs may grant additional time to Franchisee for such compliance of any modifications if Young Chefs, in its sole discretion, deems additional time is warranted. The Confidential Operations Manual, including any modifications thereto, are an integral part of this Agreement.

2. Franchisee acknowledges that the Confidential Operations Manual are the property of Young Chefs; that the Confidential Operations Manual is confidential, proprietary, contains trade secret of Young Chefs; and that Franchisee does not acquire any right, title or interest in the Confidential Operations Manual. Franchisee shall not divulge any part of the Confidential Operations Manual to any other person except to those employees and independent contractors of Franchisee who need access to it for operation of the Young Chefs Franchise and provided that they sign a non-disclosure, non-solicitation and non-competition agreement in a form approved by Young Chefs. Franchisee shall cause its spouse, all its employees and independent contractors, if Franchisee is a corporation, partnership or other legal entity, its shareholders, officers, members, directors and partners, to sign such an agreement concerning the Confidential Operations Manual and provide Young Chefs with copies of such agreements. To the extent not prohibited by any laws, rules or regulations of duly constituted governmental bodies relating to the Young Chefs Franchise, Franchisee shall conduct the operation of the Young Chefs Franchise in accordance with the Confidential Operations Manual.

3. Young Chefs shall provide Franchisee access to the Confidential Operations Manual. Franchisee shall not make, cause or allow to be made any copies or reproductions of all or any portion of the Confidential Operations Manual without Young Chefs' express prior written consent, except where the operation of

the Young Chefs Franchise in accordance with the Confidential Operations Manual make it necessary. Upon the expiration or termination of this Agreement for any reason whatsoever, Franchisee shall immediately return any copies of the Confidential Operations Manual to Young Chefs or a designee of Young Chefs. In addition, Franchisee shall, upon the expiration or termination of this Agreement for any reason whatsoever, permanently delete any electronic copies of the Confidential Operations Manual and provide a declaration of compliance to Young Chefs in a form provided and/or approved by Young Chefs.

B. Young Chefs System. Franchisee acknowledges that Young Chefs has developed and may continue to develop or revise in the future, the Young Chefs System pertaining to the operations of a Young Chefs Franchise. Franchisee further acknowledges that the Young Chefs System, together with information pertaining to customers of the Young Chefs System, are trade secrets of Young Chefs which have been developed through the research of and at the expense of Young Chefs.

C. Compliance. Franchisee agrees that the uniformity and consistency of operation of all Young Chefs Franchises in compliance with the Confidential Operations Manual and the Young Chefs System are mutually beneficial for Young Chefs and Franchisee. Franchisee also agrees that full and strict compliance by Franchisee with all parts of the Confidential Operations Manual and the Young Chefs System and any changes thereto is essential, material and vital to the relationship between Young Chefs and Franchisee and this Agreement; is necessary to protect the brand, reputation, operating systems and goodwill of Young Chefs; and, to promote the reputation, goodwill, value and integrity of the Young Chefs Marks and the Young Chefs System; and is essential, material and vital to the operation of Young Chefs Franchise. Therefore, Franchisee shall always be in full and strict compliance with all parts of the Confidential Operations Manual and the Young Chefs System and any changes thereto and failure to so fully and strictly comply ("**Noncompliant Act**") is a material default of this Agreement subject to the remedies outlined in this Agreement. In addition, if Franchisee commits any Noncompliant Act at any time during the Term of this Agreement and does not cure such Noncompliant Act within fifteen (15) days' notice by Young Chefs, Franchisee shall pay to Young Chefs a monthly fee of up to Five Hundred Dollars ($500) ("**Brand Compliance Fee**") for each Noncompliant Act for the costs associated with damage to the brand of the Young Chefs Marks and Young Chefs Systems and associated with monitoring the Young Chefs Franchise. Franchisee shall continue paying the Brand Compliance Fee each month until Franchisee has fully remedied such Noncompliant Act.

D. Young Chefs Management System. Young Chefs provides an management system accessible only to Young Chefs franchisees ("**Young Chefs Management System**"). Any information provided on Young Chefs Management System is confidential, proprietary and owned by Young Chefs. Franchisee shall not provide to any third-party access to Young Chefs Management System except to the manager of Young Chefs Franchise that has signed a non-competition agreement and a confidentiality agreement in accordance with this Section. If a third party receives or acquires access to Young Chefs Management System through Franchisee's password due to no fault of Young Chefs, Franchisee will be responsible to take all legally available action to prevent said third party from accessing Young Chefs Management System, including notifying Young Chefs in writing of any unauthorized access to Young Chefs Management System. Any use of the Young Chefs Management System is subject to the terms of use as posted on such website.

E. Young Chefs Franchise. Franchisee shall construct, improve, operate and decorate Young Chefs Franchise in the manner authorized and approved by Young Chefs and in accordance with the Confidential Operations Manual and the Young Chefs System, and Franchisee shall not thereafter alter the appearance of Young Chefs Franchise except as approved in writing by Young Chefs. Franchisee shall continuously throughout the Term of this Agreement, at its sole expense, maintain Young Chefs Franchise in good condition and repair in accordance with Young Chefs current repair and maintenance standards. Franchisee shall improve, alter and remodel Young Chefs Franchise to bring it into conformance with the national and local plans, specifications and/or other standards for new or remodeled Young Chefs franchises as may hereafter be reasonably changed and periodically defined by Young Chefs.

F. Signage. Franchisee shall only erect ad display the Young Chefs Marks in the manner and at such locations as are approved and authorized in writing by Young Chefs. Franchisee agrees to maintain, and display signs reflecting the current image of Young Chefs franchises and shall not place additional signs or posters at Franchisee's Young Chefs Franchise without the prior written consent of Young Chefs. Franchisee shall discontinue the use of and destroy such signs as are declared obsolete by Young Chefs within the reasonable time specified by Young Chefs. Such signs are fundamental to the Young Chefs System, and Franchisee hereby grants to Young Chefs the right to enter Franchisee's Young Chefs Franchise premises located at the Accepted Site to remove and destroy unapproved or obsolete signs if Franchisee has failed to do so within 30 days after the written request from Young Chefs.

G. Equipment. In order to provide products and services of the highest quality and in the most expeditious manner, and in order to protect the trade secrets of Young Chefs, Franchisee will only use and purchase the equipment provided, prescribed and required by Young Chefs in operation of Young Chefs Franchise and no other equipment. Franchisee shall maintain all equipment in a condition that meets operational standards specified in the Confidential Operations Manual. Franchisee shall replace or repair any obsolete, worn or inoperable equipment with the types and kinds of equipment as are then approved for use in Young Chefs franchises. At all reasonable times, Young Chefs or its authorized representatives, shall have the right to inspect the equipment used in Young Chefs Franchise and shall have access to Young Chefs Franchise for this purpose.

H. Products and Services. Franchisee shall offer and sell only the products and services which are approved by Young Chefs and no other products and services. Franchisee shall offer all goods and services that Young Chefs designates as required for all franchisees. Young Chefs restricts services provided by Franchisee to a cooking school for children and to offering for sale related products approved by Young Chefs. The services are generally provided at Young Chefs Franchise and may periodically be provided elsewhere in the Franchised Territory only in accordance with Young Chefs' then-current specifications. Young Chefs reserves the right to add additional authorized services and products that Franchisee is required to offer. Young Chefs, or its authorized representatives, at all reasonable times, shall have the right to inspect all products and services offered or made available by Young Chefs Franchise and shall have access to the Young Chefs Franchise premises at the Accepted Site.

I. Hours of Operation. Young Chefs Franchise shall be open for business, at a minimum, during the times and on the days specified in the Confidential Operations Manual and/or on the Young Chefs Management System, unless otherwise authorized or directed by Young Chefs in writing or unless prohibited by applicable law.

J. Vending Machines, Etc. Public telephones, newspaper racks, juke boxes, cigarette, gum and candy machines, rides, lottery ticket terminals, video games or any other games, vending or amusement machines, or any unapproved products will not be installed at Young Chefs Franchise without the prior written approval of Young Chefs.

K. Manner of Operation. Franchisee shall maintain the highest standards of quality and service in its operation of Young Chefs Franchise and the Franchise in accordance with the standards established by Young Chefs in order to provide the highest quality service to customers of Franchisee and to preserve and enhance the value of the Young Chefs Marks licensed hereunder. Unless Young Chefs consents in writing, Franchisee is required to personally operate and/or exercise personal supervision over the operation of Young Chefs Franchise. Franchisee shall keep the premises of its Young Chefs Franchise safe, neat, clean and orderly in keeping with the standards established in the Confidential Operations Manual. To maintain uniformity within the Young Chefs System and to maintain the standard practices that are necessary to promote the goodwill of the Young Chefs System, Franchisee shall use in the operation of Young Chefs Franchise only the standard form of reports, stationery and printed material uniformly prescribed by Young Chefs for use by members and customers of its Young Chefs System. Franchisee shall purchase all such materials from Young Chefs or Young Chefs approved vendors. If purchased from Young Chefs, the charge for such materials, together with all costs for postage and handling, shall be paid in advance by Franchisee.

L. Advertising and Promotional Materials. Franchisee must have written approval from Young Chefs of all materials developed or altered by Franchisee before the use of same. Only those advertising and promotional materials or items which are authorized by Young Chefs in writing before use shall be used, sold or distributed by Franchisee, and no display or use of the Young Chefs Marks shall be made without the prior written approval of Young Chefs. Franchisee shall place in the yellow pages of the telephone directory serving its market area advertisement(s) as prescribed by Young Chefs in the Confidential Operations Manual. Additional yellow page advertisements may be placed by Franchisee, but only in the most recent form prescribed by Young Chefs.

During the Term of this Agreement, Young Chefs may establish and conduct promotional campaigns on a national or regional basis, which may, by way of illustration and not limitation, promote particular products or marketing themes. Franchisee shall participate in such promotional campaigns. If required by Young Chefs, Franchisee shall purchase point of sale advertising material, posters, flyers, product displays and other promotional material. Nothing herein shall be construed to require Franchisee to charge any prices for any goods and services offered at by Franchisee's Young Chefs Franchise other than those determined by Franchisee in its sole and absolute discretion.

Franchisee shall not engage in any deceptive, misleading or unethical advertising which, in the sole discretion of Young Chefs, might be injurious or detrimental to Young Chefs, Young Chefs Marks, the Young Chefs System or the public. Franchisee shall use the Young Chefs Marks only in the forms prescribed by Young Chefs and as set forth in this Agreement. All advertising or promotional materials, signs or other items which Young Chefs designates to bear the Young Chefs Marks shall be in the form, color, location and manner prescribed by Young Chefs and shall either be furnished to Franchisee by Young Chefs or approved in writing by Young Chefs. Franchisee shall not solicit any business outside of the Franchised Territory through any method, including, but not limited to, toll-free numbers, direct mail, websites, social media platforms or other advertising methods without Young Chefs' prior written approval.

M. Right of Entry and Inspection. Young Chefs shall have the unrestricted right to enter Young Chefs Franchise to conduct such activities as it deems necessary to ascertain Franchisee's compliance with this Agreement and Franchisee specifically grants permission to Young Chefs the unrestricted right of ingress and egress to Young Chefs Franchise. Young Chefs may conduct the inspections may be conducted without prior notice at any time when Franchisee or one of Franchisee's employees is at Young Chefs Franchise. The inspections will be performed in a manner which minimizes interference with the operation of Young Chefs Franchise.

N. Interference with Employment Relations of Others. Franchisee agrees not to attempt, directly or indirectly, to entice or induce, or attempt to entice or induce any employee of Young Chefs or of another franchisee of Young Chefs to leave such employment.

O. Management of Franchisee's Young Chefs Franchise.

1. Franchisee acknowledges that Franchisee will appoint a Manager who is trained in the Young Chefs System, periodically retrained in the Young Chefs System and approved by Young Chefs, to manage and ensure that the day-to-day operation of Young Chefs Franchise is in compliance with the Confidential Operations Manual, this Agreement and the terms of any lease and any other agreements relating to Young Chefs Franchise. "**Manager**" means an individual who: (i) personally invests his or her full time and attention and devotes his or her best efforts to the on-premises general management of the day-to-day operations of Franchisee's Young Chefs Franchise; (ii) meets Young Chefs prior franchise or retail management experience requirements' and, (iii) does not participate in the active

operation, employment or management of any business other than Young Chefs Franchise. Manager shall devote full time and best efforts to the overall supervision of Young Chefs Franchise and any other Young Chefs franchises owned by Franchisee as to which he/she is the designated Manager. Franchisee represents and warrants that the Manager presently has and will have, throughout the Term of this Agreement, the authority to direct any action necessary to ensure that the day-to-day operation of Young Chefs Franchise is in compliance with the Confidential Operations Manual, with this Agreement, and with the terms of any lease and any other agreements relating to Young Chefs Franchise. Franchisee agrees to furnish Young Chefs with such evidence as Young Chefs may periodically request for the purpose of assuring Young Chefs that Franchisee is in compliance with this Section. If the position of Manager becomes vacant for any reason, the vacancy shall be filled within sixty (60) days by a new manager who has successfully completed the training program described in this Agreement, the Confidential Operations Manual or as required by Young Chefs.

2. If Franchisee is a legal organized business entity, then Franchisee must provide Young Chefs a list of all shareholders, owners, partners and/or members as required by Young Chefs and must designate one (1) natural person as the "**Operating Principal**". Any Operating Principal must be approved in writing by Young Chefs. Franchisee must further furnish to Young Chefs all organizational and other documents regarding Franchisee's creation and structure, or as Young Chefs may require, together with any and all amendments and modifications thereto, to Young Chefs upon request.

P. Information Technology Requirements. Franchisee acknowledges that the information systems and communications in the world have dramatically changed and advanced in the past few years and that Internet access and computer technology are necessary and advisable to carry on business today. Franchisee shall have available the necessary computer hardware and software to carry on business with Young Chefs over the Internet, online and in social media, as those terms are understood in the computer technology world, including an active email address which at all times shall be provided to Young Chefs.

Franchisee shall maintain an active account to a designated online POS system as required by Young Chefs. Franchisee shall use this online POS system in the operation of Franchisee's Young Chefs Franchise. Young Chefs will provide Franchisee an account with the "**Designated Online POS System**" at no initial cost if Franchisee is purchasing a new Young Chefs Franchise or purchasing one from a current Young Chefs franchise from an existing franchisee. Franchisee shall maintain the active status of the POS system by remitting to Young Chefs, or a party designated by Young Chefs, a continuing monthly fee ("**Technology Fee**") in accordance with Section 3.A. for the use of the Designated Online POS System. As of the Effective Date, the Technology Fee is assessed at an amount of up to Two Hundred Twenty-Five Dollars ($225.00); however, the Technology Fee is subject to change at the sole discretion of Young Chefs based on the expenses and costs associated with the Designated Online POS System. 4. Franchisor may increase the Technology Fees once in any calendar year but will not increase the Technology Fee by more than $25 per month per calendar year. Young Chefs shall notify Franchisee in writing at least thirty (30) days prior to any change in the Technology Fee taking effect. The Technology Fee commences upon the opening of the Young Chefs Franchise. Franchisee shall acquire the necessary computer systems and hardware to properly and adequately operate and use the online POS system.

Franchisee is responsible for the installation of such computer hardware, computer systems that will enable Franchisee to access and use the Designated Online POS System. Franchisee shall have Young Chefs OS fully operational upon the opening of Young Chefs Franchise or, if Young Chefs Franchise is already open upon the execution date of this Agreement, then within thirty (30) days from the execution date of this Agreement by Young Chefs. Young Chefs shall have the right at any time to remotely retrieve and use any data and information from Designated Online POS System in compliance with all applicable laws; and shall at all times have remote access to Franchisee's Designated Online POS System. Young Chefs may suspend or terminate Franchisee's access to Designated Online POS System if Franchisee is in breach or violation with any part of this Agreement or the Confidential Operations Manual.

Young Chefs may provide Franchisee an e-mail address to be used only by Franchisee for the operation of Young Chefs Franchise ("**Young Chefs E-mail Address**"). Franchisee is responsible for all communications sent to the Young Chefs E-mail Address by Young Chefs. Young Chefs is the owner of the Young Chefs E-mail Address with the right to view and monitor all communications sent or received through the Young Chefs E-mail Address. Franchisee shall not provide access to any other person of the Young Chefs E-mail Address, shall not forward any e-mails from Young Chefs to any third parties and shall monitor all communications on the Young Chefs E-mail Address on at least a weekly basis. Young Chefs may send notices, concerning Franchisee's Young Chefs Franchise, the Confidential Operations Manual and this Agreement, to Franchisee's Young Chefs E-mail Address that will be deemed as received by Franchisee as of the date of delivery of such notices to Franchisee's Young Chefs E-mail Address.

Q. Website. Young Chefs has established and internet website at the uniform resource locator www.youngchefsacademy.com (the "**Website**") that provides information about Young Chefs' franchise locations and services offered by them. Young Chefs may include Franchisee's Young Chefs Franchise on one of the Website's webpages but is not required to do so. Without Young Chefs prior written approval, Franchisee will not develop (1) develop, establish, maintain or authorize any website, domain name, email address, social media account, user name, other online presence or presence on any electronic medium of any kind (each an "**Online Presence**") that reflects or includes any of the Young Chefs Marks that otherwise states or suggests Franchisee's affiliation with Young Chefs or its franchise system, that uses or displays any merchandise or services offered at Franchisee's Young Chefs Franchise, or that links to any Online Presence owned or maintained by Young Chefs, or its affiliates, or any other franchisee, (2) sell any products or services, whether directly or indirectly, through any Online Presence, or (3) engage in any promotional or similar activities, whether directly or indirectly, through any Online Presence. If Young Chefs approves the use of any such Online Presence in the operation of Franchisee's Young Chefs Franchise, Franchisee will develop and maintain such Online Presence only in accordance with our guidelines, including guidelines for posting any messages or commentary on other third-party websites. If Young Chefs permits Franchisee to operate or maintain such an Online Presence, such Online Presences will be Young Chefs' sole and exclusive property and part of the Young Chefs System.

R. Personal Qualifications. This Agreement is made and entered into by Young Chefs with Franchisee in reliance upon and in consideration of the representations made to Young Chefs by Franchisee as to the personal and financial qualifications of Franchisee. Franchisee represents to Young Chefs that the Operating Principal will actively participate in the operation of the daily activities and business of Young Chefs Franchise. Franchisee may add additional persons periodically to actively participate in the operation of the daily activities and business of Young Chefs Franchise upon Young Chefs written approval and the successful completion of Young Chefs current training program, as will a Manager as is set forth in this Section. Franchisee agrees that at all times during the term of this Agreement have Young Chefs Franchise managed by a person who has been trained and approved by Young Chefs in accordance with Section 9.A herein. Franchisee agrees that it will have at least one person who is certified to administer CPR and first aid in the case of an emergency on the premises at all times when children are present.

S. Educational Requirements. The Operating Principal and the Manager shall satisfactorily complete and obtain a certification in the field of cooking, nutrition and/or diet wellness as approved and defined by Young Chefs or as set forth in the Confidential Operations Manual. Such training and certification(s) shall be at Franchisee's sole expense.

7. SERVICES AND SUPPLIES

A. Services Available to Franchisee. Young Chefs agrees to make available certain services to Franchisee and use reasonable efforts to provide such services in a manner reasonably designed for the Young Chefs System, the content of and manner by which any and all services are to be delivered by Young Chefs shall be and remain within Young Chefs sole reasonable discretion. Such services and items may include the following:

1. Making available a reproducible copy of the standard Young Chefs Marks and specifications for current approved logo and signage reproductions. Any modifications of the Young Chefs Marks and specifications, whether requested or required by planning and zoning boards, building codes, landlords, or otherwise, shall be the responsibility of Franchisee and must be pre-approved in writing by Young Chefs and shall be paid for by the Franchisee.

2. A pre-opening training program shall be conducted either at Young Chefs training facilities located at its principal place of business or at Franchisee's Young Chefs Franchise.

3. Young Chefs, in its sole discretion, may provide opening assistance to Franchisee by providing independent contractors of Young Chefs at Young Chefs Franchise for such time as Young Chefs deems appropriate under the circumstances. Young Chefs is not required to provide such opening assistance and, in exercising its own discretion, may consider the following factors: the experience of Franchisee, whether the assistance is for a new opening or the re-opening after a transfer of ownership of an already operating Young Chefs Franchise, the prior Young Chefs System experience of Franchisee's management, and any other factors that Young Chefs deems appropriate for consideration.

4. Provided Franchisee is in current compliance with all obligations in this Agreement and upon Franchisee's written request, Young Chefs shall periodically analyze Franchisee's sales and promotional efforts and furnish Franchisee with suggestions as to any improvements which Young Chefs believes to be necessary, and Young Chefs shall provide Franchisee with such on-going advice and assistance as Young Chefs deems necessary and appropriate.

5. Confidential Operations Manual in an approved format.

6. Such merchandising, marketing and advertising research data and advice as may be periodically developed by Young Chefs and deemed by it to be helpful in the operation of a Young Chefs Franchise.

7. Communication of new developments, techniques, curriculum and improvements to the Young Chefs System.

8. Such ongoing support as Young Chefs deems reasonably necessary to continue to communicate and advise Franchisee as to the Young Chefs System, including the operation of Young Chefs Franchise.

B. Young Chefs System Supply.

1. Franchisee shall purchase all fixtures, furnishings, signs, equipment, inventory, uniforms, advertising materials, services and other supplies, products and materials required for the operation of Young Chefs Franchise solely from suppliers who demonstrate, to the continuing reasonable satisfaction of Young Chefs, (i) the ability to meet Young Chefs standards, specifications and requirements for such items regarding quality, variety, service, safety and health; (ii) adequate quality controls and capacity to supply Young Chefs needs promptly and reliably; (iii) a sound financial condition and business reputation; and, (iv) Young Chefs standards, specifications and requirements in their products, equipment, supplies and services. All suppliers must be approved in writing by Young Chefs and not thereafter disapproved. Young Chefs reserves the right to increase or decrease the number of approved suppliers and to designate itself an approved supplier and to make a profit or otherwise receive value in kind or rebates from the designation of approved suppliers and/or from the sale of supplies to Franchisee.

2. If Franchisee, during the Term of this Agreement, desires to purchase any products, equipment, supplies and services for use in the operation of Franchisee's Young Chefs Franchise from a supplier who has not been approved by Young Chefs, Franchisee may request, in writing, approval by Young Chefs of such supplier. Young Chefs shall approve such proposed supplier if, in its sole judgment and

discretion, it is satisfied that the supplier can meet and maintain Young Chefs specifications, standards and requirements. Franchisee, in making such request, shall furnish Young Chefs, at Franchisee's cost, with adequate samples of the items for which approval is being requested, or if that is not feasible, then with copies of descriptions, specifications, pictures of such items and any other information concerning the supplies that Young Chefs may reasonably request. A lack of response by Young Chefs to such request by Franchisee shall not be deemed as approval of such request. Franchisee shall not sell, dispense or use any unapproved suppliers or their products, equipment, supplies and services until such approval has been granted by Young Chefs and notice thereof given to Franchisee in writing.

Nothing contained herein shall be construed to require Young Chefs to approve an unreasonable number of suppliers for any particular item or service. Young Chefs reserves the right, as a condition precedent to approving or disapproving any request for a new or additional supplier of any item or service, to charge such proposed supplier the reasonable costs and expenses incurred by Young Chefs in evaluating, investigating and determining any such request. Nothing contained in this Agreement shall be construed as an attempt by Young Chefs to limit the sources from which Franchisee may procure products, equipment, supplies and services or any other items.

8. ACCOUNTING PROCEDURES: RIGHT OF AUDIT

A. Accounting. Franchisee agrees to keep true, accurate and complete records of its business in such form as Young Chefs now or hereafter may require and to furnish Young Chefs with a monthly and fiscal year-to-date profit and loss statement in the format prescribed by Young Chefs. Franchisee shall also submit to Young Chefs quarterly balance sheets, the first of which shall be for the period ending 3 months after Young Chefs Franchise opens. All profit and loss statements and balance sheets should be prepared in accordance with generally accepted accounting principles and shall be submitted to Young Chefs within 25 days after the end of the period covered by the report. Franchisee shall retain copies of all state sales tax returns and all supporting data and records relating to sales made at or from Young Chefs Franchise and such other records relating to this Franchise during the term of this Franchise and for a period following five (5) years after this Franchise Agreement ends. Franchisee shall submit to Young Chefs copies of all state sales tax returns, accounting records, income tax returns and other financial records together with all supporting data relating to sales and the Young Chefs Franchise or business as Young Chefs may request.

B. Annual Financial Statements. Franchisee's fiscal year shall begin on January 1 and end on December 31 of each year. Within thirty (30) days after the close of its fiscal year annually, Franchisee shall submit a full disclosure of all persons with any interest in Young Chefs Franchise and within one hundred twenty (120) days a complete annual financial statement for Young Chefs Franchise, which statement, if requested by Young Chefs, shall be certified by a certified public accountant. The Annual Financial Statement shall be signed by all owners of Young Chefs Franchise representing that the Annual Financial Statement is true and correct and is the financial position of Franchisee and the results of the operations of Young Chefs Franchise during the period covered. Franchisee shall pay Franchisor $100 per occurrence if Franchisee fails to submit required financial statements as required.

C. Audits. Franchisee agrees that Young Chefs or its representatives, at Young Chefs expense, shall, at all reasonable times, have the right to examine or audit the books, records, state sales tax or accounts of Franchisee. Young Chefs shall similarly have the right to examine or audit the books, records, state sales tax return or accounts of any and all persons or entities who are owners or guarantors of the Franchisee's performance under this Agreement. Any such inspection, examination and audit shall be at Young Chefs' cost and expense unless Gross Sales or advertising fees, of any kind or type as shown by Franchisee's records, is found to be understated by more than two percent (2%). Then, in such event, the cost and expense for such inspection, examination and audit shall be borne and paid by Franchisee. Also, in those instances in which Franchisee has failed to make timely payments of the royalty or advertising fees; has been providing Young Chefs with inaccurate information on financials and/or customers/memberships; or has otherwise defaulted under this Agreement, costs for such audit shall be paid by Young Chefs. Any such cost and expense and any amounts found to be due but not paid shall be set forth in a written invoice delivered to Franchisee by Young Chefs. Franchisee shall reimburse Young Chefs for the invoice amount, together with ten percent (10%) interest per annum, within seven (7) days after the invoice has been delivered to Franchisee.

D. Customer and Membership Information. Young Chefs, or its authorized representative, may, during regular business hours, or at such other times as may be mutually agreed upon, to inspect all customer/membership records, both active and inactive, and any other related records. Upon request by Young Chefs, and subject to any applicable state or federal data and privacy protection laws, Franchisee shall furnish to Young Chefs in whatever format required by Young Chefs all member lists and records for Franchisee's Young Chefs Franchise, both active and inactive, which includes, but is not limited to, names, addresses, and telephone numbers of such members (hereinafter collectively referred to as "**Membership Lists**"). Franchisee acknowledges and agrees that Young Chefs is the sole owner of the Membership Lists, and that Franchisee will not distribute, in any form or manner, the Membership Lists to any third party without the prior written consent of Young Chefs.

9. LIMITATIONS OF FRANCHISEE

A. Trademarks, Trade Names, Service Marks and Trade Secrets.

1. **Young Chefs Ownership of the Trademarks**. Franchisee agrees that the Young Chefs Marks, and all goodwill arising from it, are the exclusive properties of Young Chefs, and Franchisee does not now nor will hereafter asserts any claim to the ownership thereof or any other marks that Young Chefs may hereafter register, use or claim. Franchisee further covenants that it will not contest Young Chefs' ownership of the Young Chefs Marks or their validity nor will it do or permit any act or thing to be done in derogation of any of the rights of Young Chefs in connection with the Young Chefs Marks either during the Term of this Agreement or thereafter. Nothing in this Agreement shall be construed to give Franchisee any right, title or interest in or to the Young Chefs Marks except for a non-exclusive revocable privilege and license to display and use the Young Chefs Marks during the Term of and pursuant to the conditions contained in this Agreement. Franchisee expressly understands and agrees that it has not acquired and will not acquire any ownership interests, equitable rights, goodwill or other interests in any Young Chefs Marks by virtue of this Agreement, its relationship with Young Chefs, or Franchisee's use of the Young Chefs Marks and will not represent that it has. Franchisee also understands and agrees that following the expiration or termination of this Agreement for any reason, it shall not attribute any monetary amount to any goodwill associated with its use of the Young Chefs Marks or in connection with its operation of Young Chefs Franchise.

2. **Trade Secrets**. Franchisee agrees that all materials loaned or otherwise made available to Franchisee and all disclosures made to Franchisee and not to the general public by or at the direction of Young Chefs at any time before or during the Term of this Agreement relating to the Young Chefs System, including, without limitation, the Confidential Operations Manual in its entirety, financial information, marketing strategy and marketing programs, are considered trade secrets of Young Chefs for purposes of this Agreement and shall be kept confidential and used by Franchisee only in connection with the operation of the Young Chefs Franchise. Franchisee agrees not to divulge any of the trade secrets to any person other than its employees and then only to the extent necessary for the operation of Young Chefs Franchise and, specifically, that Franchisee will not, nor permit anyone to, reproduce, copy or exhibit any portion of the Confidential Operations Manual or any other trade secrets of Young Chefs. At Young Chefs request, Franchisee shall require each owner and manager to execute an agreement similar in substance to this Section in a form acceptable to Young Chefs and naming Young Chefs as a third-party beneficiary with the independent right to enforce such agreement.

3. **Modification of Young Chefs Marks**. If Young Chefs, in its sole discretion, decides to modify or discontinue use of any of the Young Chefs Marks and/or to adopt or use one or more additional or substituted trademarks than is being used currently, Franchisee shall promptly conform its use of the Young Chefs Marks as directed, in writing, by Young Chefs. It shall be the sole obligation of Franchisee in any such event to re-image, purchase new signs, letterhead, etc. so as to comply with the Young Chefs Marks, and Franchisee waives any other claim arising from or relating to any such change, modification or substitution of Young Chefs Marks.

4. **Franchisee's Use of the Young Chefs Marks**. Franchisee acknowledges that Young Chefs prior written consent is required for the use of any or all of the Young Chefs Marks, or any other mark Young Chefs owns or will own, except as granted herein. Franchisee shall not use the Young Chefs Marks, any variations or abbreviations, or any words confusingly similar to the Young Chefs Marks, as part of its name if Franchisee is or becomes a corporation or other legal entity. Franchisee shall use the Young Chefs Marks and/or any trademark or service mark or trade name adopted by Young Chefs, or other written instructions from Young Chefs, including the form and manner and appropriate legends as may be prescribed by Young Chefs from time to time. Franchisee agrees not to use any other trademark, service mark or trade name in combination with the Young Chefs Marks without Young Chefs prior written consent. Franchisee shall not use the Young Chefs Marks, or any other mark Young Chefs owns or will own, in any advertising that has not been provided to Franchisee by Young Chefs or previously approved in writing by Young Chefs. Franchisee shall permit Young Chefs to inspect Franchisee's uses of the Young Chefs Marks at all reasonable times for the purpose of ascertaining compliance with this Agreement. Except when necessary to comply with this Agreement, Franchisee shall not place the Young Chefs Marks, nor provide any third party the Young Chefs Marks for the purpose of placing the Young Chefs Marks, on any products, supplies or any other item in any form for any purpose, unless Franchisee acquires prior written approval from Young Chefs. Except when necessary to comply with this Agreement, Franchisee shall not use or associate in any way the Young Chefs Marks with any services not associated with the Franchise or that have not been approved in writing by Young Chefs.

5. **Defense of the Young Chefs Marks**. Franchisee will not, directly or indirectly, at any time during the Term of this Agreement or thereafter, do or cause to be done any act or thing disputing, attacking or in any way impairing or tending to impair Young Chefs or Young Chefs' right, title or interest in the Young Chefs Marks or the Young Chefs System. If Franchisee learns of any claim, suit or demand against Franchisee or the Young Chefs Marks on account of any alleged infringement, unfair competition, or similar matter relating to the Young Chefs Marks, or any unauthorized use of the Young Chefs Marks, Franchisee shall promptly notify Young Chefs, in writing. Young Chefs may, but is not obligated to, take such action, if any, as Young Chefs, in its sole discretion, deems necessary or appropriate in connection therewith. Young Chefs shall have the sole right to defend, compromise or settle any such claim at Young Chefs sole cost and expense, using attorneys of its own choosing. Franchisee agrees to cooperate fully with Young Chefs in connection with the defense of any such claim and hereby irrevocably appoints Young Chefs to defend or settle all of such claims, demands or suits. Franchisee may participate at its own expense in such defense or settlement, but Young Chefs decisions shall be final and binding upon Franchisee. Franchisee shall not settle or compromise any such claim without the prior written consent of Young Chefs. Young Chefs agrees to indemnify and hold Franchisee harmless against any claim or demand arising from Franchisee's authorized use of the Young Chefs Marks provided Franchisee has promptly notified Young Chefs of the claim or demand as required by this Section.

B. Independent Contractor.

1. The relationship between Franchisee and Young Chefs is contractual through this Agreement. There is no employer/employee relationship between Young Chefs and Franchisee. It is specifically acknowledged, understood, and agreed by the Franchisee and Young Chefs that this Agreement does not create a fiduciary relationship between Franchisee and Young Chefs. Further that Franchisee is an

independent contractor. Nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, affiliate, joint venture, partner, employee, or servant of the other for any purpose whatsoever. Nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty, or representation on Young Chefs' behalf, or to incur any debt or other obligation in Young Chefs' name.

2. During the Term of this Agreement, and any extension hereof, Franchise shall hold itself out to the public as an independent contractor operating Young Chefs Franchise pursuant to a franchise agreement with Young Chefs. Franchisee agrees to conspicuously post notices to that effect in such locations and by such means determined reasonably necessary by Young Chefs to inform the public, customers and suppliers. Young Chefs reserves the right to specify the content of such notices as well as where and when the notices shall be posted.

3. Franchisee acknowledges and agrees that Franchisee is solely responsible for all decisions relating to employees, agents, and independent contractors that Franchisee may hire to assist in the operation of Franchisee's Young Chefs Franchise. Franchisee agrees that any employee, agent or independent contractor that Franchisee hires will be Franchisee's employee, agent or independent contractor, and not Young Chefs' employee, agent or independent contractor. Franchisee also agrees that Franchisee is exclusively responsible for the terms and conditions of employment of its employees, including recruiting, hiring, firing, training, compensation, work hours and schedules, work assignments, safety and security, discipline, and supervision. Young Chefs does not regulate the hiring or discharge of Franchisee's employees, officers or agents, the parties from whom Franchisee may accept business, the working conditions of Franchisee's employees, officers or agents or Franchisee's contracts with customers, suppliers or others. Franchisee agrees to manage the employment functions of Franchisee's Young Chefs Franchise in compliance with federal, state, and local employment laws.

4. Franchisee shall represent that it is doing business as a Franchisee under the trade name and style of Young Chefs or Young Chefs Academy. For this purpose, Franchisee shall publicly display at the Accepted Site Young Chefs' certificate of good standing during the term of this Agreement as required by Young Chefs. Franchisee shall prominently display a notice or certificate in the public area of the Accepted Site, as well as a statement on Franchisee's letterhead and on all forms, printed materials and advertising materials to be distributed to the public, which clearly states that "THIS YOUNG CHEFS ACADEMY® FRANCHISE IS INDEPENDENTLY OWNED AND OPERATED."

C. Franchisee Obligations. Franchisee shall be responsible for, and shall promptly pay when due, all expenses of Young Chefs Franchise, including all taxes and levies of any kind in connection with Young Chefs Franchise and the income arising from such Young Chefs Franchise. Young Chefs shall not be liable for any such expenses, taxes, levies, or disbursements otherwise paid or incurred in connection with the establishment and operation of Young Chefs Franchise. Failure of Franchisee to timely make all tax payments referred to herein shall be a material default of this Agreement.

D. Telephone, Email and Data Listings. Franchisee acknowledges and agrees that, as between Young Chefs and Franchisee, Young Chefs owns all rights to and interest in and goodwill arising from all telephone numbers, facsimile numbers, directory listings, and/or any other type of contact information or directory listing (collectively, the "**Telephone Presences**") and all Online Presences identifying Franchisee's Young Chefs Franchise or that are used in the operation or promotion of Franchisee's Young Chefs Franchise. The Telephone Presences and Online Presences may be used only in connection with Franchisee's Young Chefs Franchise in accordance with this Agreement and the Young Chefs System and for no other purpose. Franchisee agrees to execute all documents necessary to complete the transfers of each the Telephone Presences and Online Presences upon termination or expiration of this Agreement. Upon the termination of this Agreement for any reason, Franchisee shall, at its sole expense, immediately notify each telephone and/or Internet service provider for each Telephone Presence and Online Presence directing them to transfer each such Telephone Presence and Online Presence to Young Chefs, or any person designated by Young Chefs.

10. COMPETITION AND ECONOMIC DEVELOPMENT

A. Covenant Against Competition. Franchisee acknowledges and agrees to the uniqueness of the Young Chefs System and that Young Chefs is making its knowledge, know-how and expertise available to Franchisee for the purpose of the operation of Young Chefs Franchise. Franchisee further acknowledges and agrees that Young Chefs entered into this Agreement with Franchisee in consideration of and reliance upon Franchisee's representation to deal exclusively with Young Chefs. Franchisee therefore agrees that, during the Term, Franchisee, its owners, shareholders, directors, partners, Manager, Operating Principal, and the immediate family member of each of the foregoing persons (each, a "**Restricted Person**") will not:

1. have any direct or indirect ownership interest (whether of record, beneficially, or otherwise) in, or perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for, a Competitive Business (defined below), wherever located or operating, other than having an equity ownership of less than 5% of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange;

2. divert or attempt to divert any actual or potential business, sites or clients of any Young Chefs Franchise to a Competitive Business; and

3. directly or indirectly, appropriate, use or duplicate the Young Chefs System or any portion thereof for use in any other business or endeavor.

The term "**Competitive Business**" means any cooking school or any business that provides cooking classes or related products and services.

B. Impact of Young Chefs Economic Development.

1. **Franchised Territory**. Franchisee and Young Chefs agree that there are no other territorial rights that arise or will be inferred under this Agreement except those rights expressly given to Franchisee in this Agreement. Young Chefs expressly reserves the right to own, operate or license another person to own or operate or license a Young Chefs Franchise outside of the Franchised Territory. In consideration of the grant of the Franchised Territory, Franchisee agrees that there are no implied covenants of good faith and/or fair dealing or other theories that limit or modify Young Chefs' rights herein.

2. **Other Young Chefs' Brands, Replacements, and Development**. Young Chefs shall have the absolute right, without regard to the economic impact on Franchisee, to own, operate or license a person to own or operate any business of any type whatsoever not identified as a Young Chefs or Young Chefs Academy at any location other than Young Chefs Franchise, including locations within the Franchised Territory. If the Term is ending, Young Chefs has the right to develop or authorize another person to develop a Young Chefs or Young Chefs Academy franchise and conduct normal pre-opening activities in the Franchised Territory during the Term so long as such Young Chefs does not open until the expiration or termination of the Term of this Agreement.

3. **Chain Acquisition**. Young Chefs may acquire a brand, the rights to license a brand, or commonly owned group of facilities of multiple units through merger, acquisition, or otherwise, and, Franchisee agrees that Young Chefs may do so without regard to the economic impact on Franchisee and may license or operate such acquired units as Young Chefs or Young Chefs Academy. If the acquired brand has businesses operating in Franchisee's Territory, such can continue to operate in the Franchisee's Territory after acquisition by Young Chefs and if Franchisee objects to such acquisition or the operation in Franchisee's Territory, then Franchisee shall be entitled to terminate this Agreement by giving Young

Chefs written notice within twelve (12) months after such acquisition, and Young Chefs shall release Franchisee from this Agreement provided that Franchisee timely fulfills its obligations under this Agreement.

4. **Coordination With Other Systems**. Should Young Chefs acquire a brand, the rights to license a brand, or commonly owned group of facilities of multiple units through merger, acquisition, or otherwise, during the Term of this Agreement which have locations within the Franchised Territory, Young Chefs may use or benefit from, or may authorize others to use or benefit from, common corporate and executive personnel, reservations and other systems, communications, equipment, services, administrative systems, marketing and advertising programs, personnel, and central purchasing.

5. **The "Harm" Standard**. Young Chefs is free to pursue its own business interests as it seeks them and is not obligated to do or refrain from doing anything except as expressly set forth in this Agreement, regardless of any adverse effect of whatever degree on Franchisee's Young Chefs Franchise and without any duty to consider such effect.

6. **Internet Or Website Cooking Schools and Classes**. Young Chefs is free to pursue internet and website cooking classes within all geographical areas including the Franchised Territory. Such internet and website cooking classes may be broadcast from time to time or on a regular basis by Young Chefs and will be directed to individuals who are not then-currently a member or customer of a Young Chefs franchise. Franchisee acknowledges and agrees that internet and website cooking class broadcasts promote the Young Chefs System and will be beneficial to all Young Chefs franchisees. Any person contacting Young Chefs seeking to be a customer of a Young Chefs franchise will be referred to the Young Chefs franchise located nearest them. Franchise is prohibited from conducting any broadcasts or any internet and website cooking classes.

11. INSURANCE; INDEMNIFICATION

A. Insurance. At Franchisee's sole cost and expense, Franchisee shall purchase and maintain, in effect at all times during the Term of this Agreement, a policy or policies of insurance, naming Young Chefs as an additional insured on the face of each policy, as follows:

1. Comprehensive general liability in no less than the following amounts, which amounts may be periodically changed on written notice by Young Chefs: $1,000,000 per person per occurrence and $2,000,000 aggregate for bodily injury; and at least $50,000 for property damage per occurrence;

2. Workers' compensation insurance as required under the applicable laws;

3. Automobile liability insurance on vehicle used in the operation of Franchisee's Young Chefs Franchise, as required under the applicable laws; and

4. All risk extended coverage, ensuring the construction of improvements and contents of the business, for at least 80% of the replacement value, or comparable insurance required by Franchisee's landlord or under the applicable state or local law.

Young Chefs may from time to time increase the amount of coverage required under these policies or require different or additional insurance coverage (including reasonable excess liability insurance) at any time to reflect inflation, identification of new risks, change in law or standards of liability, higher damage awards, or other relevant change in circumstances.

Franchisee shall provide evidence to Young Chefs that such insurance is in full force and effect at least 30 days before the opening of Young Chefs Franchise. Franchisee shall promptly notify Young Chefs of any and all claims against Franchisee and/or Young Chefs. All policies shall be renewed, and a renewal certificate of insurance mailed to Young Chefs before the expiration date of the policies. All policies must be purchased and maintained by an insurance company meeting Young Chefs specifications. This obligation of Franchisee to maintain insurance is separate and distinct from its obligation to indemnify Young Chefs under the provisions of this Section.

B. Indemnification. Franchisee must indemnify Young Chefs, its affiliates, successors and assigns, and its members, partners, shareholders, officers, directors, employees and agents, for any expenses arising out of any claim directly or indirectly related to Franchisee's operation of the Young Chefs Franchise, or Franchisee's performance or lack of performance under this Agreement, if the claim does not arise from Young Chefs' negligent or wrongful conduct. Young Chefs' right to indemnity under this Agreement shall be valid notwithstanding that joint or concurrent liability may be imposed on Young Chefs by statute, ordinance, regulation or other law. Franchisee must promptly notify Young Chefs of any claim by or against Franchisee directly or indirectly related to Franchisee's operation of the Young Chefs Franchise and, on request, must furnish Young Chefs with copies of any filings in any proceeding involving the claim. As used in this Section, the word "**expenses**" includes all losses, compensatory, exemplary or punitive damages, fines, charges, costs, lost profits, attorneys' fees, accountants' fees, expert witness fees, expenses, court costs, settlement amounts, judgments, compensation for damages to reputation or goodwill, costs of or resulting from delays, financing, costs of advertising material and media time/space, and costs of changing, substituting or replacing the same, and costs of recall, refunds, compensation and public notices. Franchisee's indemnification obligations shall not be limited by the amount of insurance required under this Section.

C. Defense of Claims. Young Chefs shall notify Franchisee of any claims subject to indemnification by Franchisee, and Franchisee shall be responsible for the costs of defense of the matter. Young Chefs shall have the right to choose the attorney to defend any such claim or action at Franchisee's cost and expense. If Franchisee fails to pay the costs of the defense of any claim covered by the indemnification provisions of this Section, Young Chefs may defend the action in the manner it deems appropriate, and Franchisee shall pay to Young Chefs all costs, including attorney's fees, incurred by Young Chefs in effecting such defense, in addition to any sum which Young Chefs may pay by reason of any settlement or judgment against Young Chefs. No settlement of any claim against Young Chefs shall be made by Franchisee which is in excess of the amount of insurance referred to in this Section or which would subject Young Chefs to liability in any amount not covered by such insurance without the prior written consent of Young Chefs. Franchisee's indemnification obligations will survive the expiration or termination of the Franchise for as long as any potential for liability under any applicable law, rule, ordinance, statute or judicial decision remains. To the maximum extent permitted by law, Franchisee waives the effect of any statute of limitation which would, by lapse of time, limit its indemnification obligations under this Agreement.

12. TAXES

Franchisee shall pay, when due, any and all taxes of any kind or type, whether federal, state or local, to be filed, levied or assessed, in connection with the possession, ownership and/or operation of Young Chefs Franchise or in connection with amounts paid or received under this Agreement, including without limitation any sales, use or other ad valorem taxes (other than any tax that is measured by or related to the net income of Young Chefs or to its corporate status in a state). If any such tax shall be paid by Young Chefs, Franchisee shall promptly reimburse Young Chefs the amount paid. In the event of any bona fide dispute as to the liability for a tax assessed against Franchisee, Franchisee may contest the validity or the amount of the tax in accordance with procedures of the taxing authority and any all costs, expense, fees and penalties shall be the sole liability of Franchisee. Franchisee shall not permit a tax sale of any kind or type or seizure against Franchisee's Young Chefs Franchise or equipment.

13. ASSIGNMENT: CONDITIONS AND LIMITATIONS

A. **Full Compliance**. Any purported assignment or transfer of any portion of Franchisee's interest, rights and obligations under this Agreement that is not in full compliance with this Section 16 shall be null and void and of no force or effect. Any such purported assignment or transfer shall give Young Chefs the right to immediately terminate without opportunity to cure pursuant to this Agreement.

B. **Transfer.** As used in this Section, the term "**transfer**" shall mean and include the voluntary, involuntary, conditional, direct or indirect assignment, sale, gift or other transfer by Franchisee or any of its owners of any interest in or grant of any security interest in: (a) this Agreement; (b) Young Chefs Franchise; (c) Franchisee; or (d) some or all of the assets of Young Chefs Franchise (other than inventory items in the ordinary course of business). As used above, an assignment, sale or other transfer shall include the following events: (1) the transfer of ownership of shares or a partnership or membership interest; (2) merger or consolidation or issuance of additional securities representing an ownership interest; (3) any sale of voting shares of Franchisee or any security convertible to voting shares of Franchisee or any agreement granting the right to exercise or control the exercise of the voting rights of any holder of an ownership interest; or (4) transfer in a divorce, insolvency, corporate, business or partnership dissolution proceeding or, in the event of the death of Franchisee or an owner of Franchisee, by will, declaration of or transfer in trust, or under the laws of intestate succession or otherwise by operation of law.

C. **Transfer and/or Assignment by Franchisee**. Franchisee shall not have the right to transfer or assign all or any portion of this Agreement without the express written approval of Young Chefs. Franchisee shall not have the right to transfer or assign all or any portion of this Agreement before opening Young Chefs Franchise. Franchisee acknowledges that Young Chefs is entering into this Agreement in reliance upon and in consideration of Franchisee's business skill, financial capacity, aptitude and other qualifications. Accordingly, the rights and duties created by this Agreement are personal to Franchisee and neither Franchisee's interest in this Agreement nor any of its rights or privileges hereunder nor Young Chefs Franchise or any interest therein may be assigned, transferred, shared or divided, voluntarily or involuntarily, directly or indirectly, by operation of law or otherwise, in any manner, without the prior written consent of Young Chefs. Any actual or intended assignment, transfer or sale made or accomplished in violation of the terms of this Section shall be null and void and shall constitute a material breach of this Agreement and Young Chefs may terminate this Agreement immediately and without any cure period. Young Chefs will not unreasonably withhold its consent to a proposed assignment sale or transfer of any type; however, before Young Chefs consents to any transfer, Franchisee and/or proposed transferee must fully complete and comply with the following requirements:

1. The proposed assignee, transferee or purchaser must meet all qualification that a new prospective franchisee would have to and must complete all personal forms, financial forms and other forms Young Chefs uses to qualify any prospective franchisee.

2. The payment by Franchisee to Young Chefs of transfer fee, being the greater of either Fifteen Thousand Dollars ($10,000) or fifty percent (50%) of the then-current Initial Franchise Fee; and

3. The payment by the proposed assignee, transferee or purchaser to Young Chefs of a training fee in the amount of Two Thousand Dollars ($2,000); and

4. Franchisee and its owners are not in default of any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement between Franchisee and Young Chefs or its affiliates; and

5. Young Chefs' receipt of required notification by Franchisee as required herein, all forms required by Young Chefs that Young Chefs is then using in evaluating prospective purchasers of new franchises and any other information Young Chefs may request concerning the proposed assignee, transferee or

purchaser or the proposed transaction between Franchisee and the prospective assignee, transferee or purchaser; and

6. The proposed assignee, transferee or purchaser, in Young Chefs' sole judgment, satisfies all of Young Chefs' business and financial standards and requirements; has the aptitude and ability to operate Young Chefs Franchise; and that the proposed assignee, transferee or purchaser complete and be approved through Young Chefs standard franchise application and selection process including satisfactorily demonstrating to Young Chefs that the proposed assignee, transferee or purchaser meets the financial, character, managerial, ownership and such other criteria and conditions as Young Chefs shall then be applying in considering applications for new franchises; and

7. All of Franchisee's accrued monetary obligations and all other outstanding obligations to Young Chefs and its affiliates, whether arising under this Agreement or otherwise, have been satisfied; and

8. Payment of any and all taxes, debts and obligations owed to third parties which were incurred by Franchisee in connection with Young Chefs Franchise or assumption of such liabilities by the proposed assignee, transferee or purchaser; and

9. Franchisee and its owners and each transferor execute a full and complete general release, in a form prepared by Young Chefs, of any and all claims, known or unknown, that Franchisee may have or could have against Young Chefs, its affiliates, and their respective officers, directors, agents, and employees, in their corporate and individual capacities; and

10. The execution of the then-current franchise agreement by the proposed assignee, transferee or purchaser; and

11. Proof of receipt by the proposed execution of the then-current franchise agreement of any information required by the rules and regulations of any franchise disclosure legislation to be delivered to the proposed execution of the then-current franchise agreement by Young Chefs at least 10 days before any assignment; and

12. The satisfactory completion, in Young Chefs' sole opinion, of the Initial Training Program then required of all new franchisees of Young Chefs, unless such training is waived by Young Chefs in writing by reason of the prior experience or training of the proposed assignee, transferee or purchaser; and

13. The delivery by Franchisee or proposed assignee, transferee or purchaser to Young Chefs, before assignment, transfer or sale of the franchise, an executed copy of the contract setting out the terms, conditions and price of the assignment, transfer or sale by Franchisee and an intent to buy by the proposed assignee, transferee or purchaser of Young Chefs Franchise. Young Chefs shall have fifteen (15) business days after receipt of such contract to object to the same. Failure of Young Chefs to object to the contract does not constitute approval of the assignment, transfer, or sale by Young Chefs.

D. Transfer of Equity Securities. Equity securities of Franchisee may not be assigned, transferred or sold by Franchisee or by any Owner unless, in addition to obtaining the prior written consent of Young Chefs, such assignment, transfer or sale complies with all policies or guidelines Young Chefs may then have in effect for approval of a proposed distribution of securities of franchisees. Before any approval is granted by Young Chefs, Franchisee also must provide the applicable prospectus to Young Chefs. Franchisee and any other participants in any offering of securities of Franchisee shall fully indemnify Young Chefs in connection with such offering.

E. Franchisee Information. Young Chefs may furnish any proposed assignee with copies of all financial statements and reports which have been furnished by Franchisee to Young Chefs in accordance with this Agreement during the three (3) year period prior to the date the approval of the proposed assignment, transfer or sale is sought. Young Chefs may advise any proposed assignee of any uncured breaches or defaults by Franchisee under this Agreement, or any other agreement relating to the Young Chefs Franchise proposed to be assigned, transferred or sold. Young Chefs' approval of such proposed transaction shall not, however, be deemed a representation or guarantee by Young Chefs that the terms and conditions of the proposed transaction are economically sound or that, if the transaction is consummated, the proposed assignee will be capable of successfully conducting the Young Chefs Franchise and no inference to such effect shall be made from such approval.

F. **Prohibition against Encumbrance**. Without Young Chefs' prior written consent, Franchisee and its owners shall not grant any security interest in this Agreement, in Young Chefs Franchise, in this Franchise Agreement or in any customer/membership agreements or receivables used in the operation of Young Chefs Franchise, nor shall any ownership interest in any corporate, limited liability or partnership that is a party to this Franchise Agreement be pledged or encumbered. If Young Chefs consents to the grant of any type security interest, the secured party must agree that in the event of Franchisee's default under the security interest, Young Chefs or its designee shall be notified of the default and shall have the right but not the obligation to be substituted as an obligor to the secured party and/or to cure the default. In no event shall this requirement be construed to make Young Chefs liable to Franchisee or to any third party whether secured or not.

G. **Notice of Proposed Transfer by Franchisee**. Franchisee and if Franchisee is not a natural person then its owners may not assign, transfer, or sell Young Chefs Franchise or any interest therein without the express written consent of Young Chefs. Franchisee shall notify Young Chefs of such intention to assign, transfer or sell by written notice by certified mail, by facsimile transmission and by email, all three (3), setting forth the name, address, statement of financial qualification and business experience during the previous 5 years of the proposed assignee, transferee or purchaser. If Young Chefs does not exercise its right of first refusal under this Agreement, Young Chefs shall then further qualify the proposed assignee, transferee or purchaser and the notify Franchisee as to whether or not Young Chefs approves the proposed assignee, transferee or purchaser in accordance with this Section.

H. **Transfer Due to Death or Incapacity**. The assignment, transfer or sale of Franchisee's or Franchisee entity's interest in this Agreement in the event of the death or legal incapacity or permanent disability of Franchisee or the Operating Principal, shall not constitute an assignment, transfer or sale requiring payment of a fee as set forth herein, so long as the person is designated by Franchisee's heirs, executors, personal representative or guardian. The designee of the estate must do the following:

1. Apply in writing to Young Chefs within ninety (90) days after death, legal incapacity or permanent disability of Franchisee and/or its owners for Young Chefs' approval to assign, transfer or sell Young Chefs Franchise, or the interest of the deceased or disabled shareholder and/or owner, if Young Chefs Franchise is held by a legal entity, and

2. Complies with and agrees to the terms and conditions of provision C of this Section. In the event of death or legal incapacity or permanent disability of Franchisee, its owners or the Operating Principal requiring an assignment, transfer or sale of Franchisee's interests in this Agreement or in Young Chefs Franchise, Young Chefs may, at its sole discretion, assume the operation of Young Chefs Franchise pending the assignment, transfer or sale.

I. **No Waiver**. Young Chefs consent to an assignment, transfer or sale shall not constitute a waiver of any claims it may have against the assigning, transferring or selling party, nor shall it be deemed a waiver of Young Chefs right to demand exact compliance with any of the terms of this Agreement by the assignor, transferor, selling party or transferee.

J. Assignment, Transfer or Sale by Young Chefs. Young Chefs may assign, transfer, or sell this Agreement and all of its rights and privileges hereunder, and any other asset owned by Young Chefs, to any third party, firm or corporation without notice to or approval of Franchisee.

K. Organization of Franchisee. If an individual Franchisee desires to assign, transfer or sell this Agreement to a corporation, limited liability company or other legal entity formed or controlled by Franchisee (provided, however, that Franchisee may not assign to a trust, limited partnership or other entity that is not acceptable to Young Chefs in its sole discretion), then Young Chefs will grant its consent, provided:

1. Such individual Franchisee is, and shall remain, the owner of one hundred percent (100%) of the voting stock of the legal entity or, if Franchisee is more than one individual, each individual shall have the same proportionate ownership interest in the legal entity as that individual had in the Agreement before the assignment, transfer or sale, and, as long as this is strictly the case, Young Chefs will reduce the transfer fee as provided in this Article to Five Hundred Dollars ($500); and

2. All documents of the legal entity reasonably required by Young Chefs are properly signed by all necessary parties and provided to Young Chefs before the assignment, transfer or sale; and

3. Franchisee or another qualified individual is designated as the Operating Principal in accordance with this Agreement; and

4. Franchisee and all of the owners, shareholders, officers and directors of the legal entity personally guarantee the obligations to be performed under this Agreement by the legal entity and each must sign a guaranty agreement in the form prepared by Young Chefs; and

5. The legal entity must sign Young Chefs' then-current franchise agreement as Franchisee and guarantee the same.

14. RIGHT OF FIRST REFUSAL

A. If Franchisee wishes to accept an offer from a third party to purchase all or substantially all of the assets constituting Young Chefs Franchise or a controlling interest in the voting equity of Franchisee, Franchisee shall give Young Chefs written notice setting forth the name and address of the prospective purchaser, the price and terms of the offer and a copy of any contract, memorandum or other writing evidencing the propose sale. Upon Young Chefs receiving written notice a franchisee application will be sent to Franchisee to be completed by the prospective purchaser. Any Purchase and Sale Agreement between Franchisee and any prospective purchaser must include a non-compete provision by Franchisee in favor of the prospective purchaser and Young Chefs that is comparable to the non-compete contained in this Agreement. Franchisee shall also deliver to Young Chefs any and all exhibits, copies of any real estate purchase agreement or agreements, proposed security agreements and related promissory notes, assignment documents, title insurance commitment and any other information that Young Chefs may request in order to evaluate the offer. Young Chefs, its subsidiaries and affiliated companies, shall then have the prior option to purchase the interests covered by the offer at the price and upon the same terms of the offer. If the consideration is not money, Young Chefs shall have the right to substitute the equivalent cash as solely determined by Young Chefs for all non-cash consideration. Young Chefs shall have twenty (20) business days after receipt of the notice of offer or the receipt by Young Chefs of all requested information, whichever is later, within which to notify Franchisee of Young Chefs intent to exercise or not exercise its right of first refusal hereunder. Should Young Chefs not exercise this option and the terms of the unaccepted offer be altered, Young Chefs must be notified of the altered terms and shall have twenty (20) additional days from the date of notification to purchase on the altered terms. Silence or non-responsiveness on the part of Young Chefs shall constitute rejection. If the proposed sale includes assets of Franchisee not related to the operation of Young Chefs Franchise, Young Chefs may, at its option, elect to purchase only the assets related to the operation of Franchisee's Young Chefs Franchise and an equitable purchase price shall be allocated to each asset included in the proposed sale. An offer from a third party includes any transfer, conveyance, assignment, consolidation, merger or any other transaction in which legal or beneficial ownership of Young Chefs Franchise granted by this Agreement is vested in other than the Franchisee.

B. The election of Young Chefs not to exercise its right of first refusal as to any offer shall not affect its right of first refusal as to any subsequent offer or the right to refuse a pending sale by Franchisee.

C. Any sale, attempted assignment, transfer or sale, as defined in this Agreement, without first giving Young Chefs the right of first refusal described herein, shall be void and of no force and effect. Any waiver by Young Chefs of the right of first refusal described herein shall not relieve Franchisee from complying with this Agreement.

15. TERMINATION BY YOUNG CHEFS

A. **Default and Termination without Right to Cure**. Franchisee shall be deemed to be in default of this Agreement, and Young Chefs may, at its sole option, terminate the Agreement and all rights hereunder, without affording Franchisee an opportunity to cure the default, effective immediately upon delivery of written notice by Young Chefs, if:

1. Franchisee becomes insolvent (meaning unable to pay bills in the ordinary course of business as they become due) or makes a general assignment for the benefit of creditors; or proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee or a petition in bankruptcy is filed by Franchisee or such a petition is filed against and not opposed by Franchisee or Franchisee is adjudicated a bankrupt or insolvent or a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee or a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction. Franchisee expressly and knowingly waives any rights that it may have under the provisions of the Bankruptcy Code and consents to the termination of this Agreement or any other relief which maybe sought in a complaint filed by Young Chefs to lift the provisions of the automatic stay of the Bankruptcy Code. Additionally, Franchisee agrees not to seek an injunctive order from any court in any jurisdiction relating to insolvency, reorganization or arrangement proceedings which would have the effect of staying or enjoining this provision; or

2. A final judgment related to the Franchisee remains unsatisfied or of record for thirty (30) days or longer (unless a supersedeas bond is filed); or the assets of Young Chefs Franchise are liquidated; or execution is levied against the Franchisee; or suit to foreclose any lien or mortgage against Young Chefs Franchise or its equipment is instituted against Franchisee and not dismissed within thirty (30) days; or the real or personal property of Young Chefs Franchise must be sold after levy thereupon by any sheriff, marshal or constable; or

3. Franchisee has made any material misrepresentations or misstatements, or omits any material facts to Young Chefs on the application to be a franchisee, or with respect to the ownership of Young Chefs Franchise; or

4. Franchisee abandons the franchise relationship and/or Young Chefs Franchise without the prior consent of Young Chefs at any time during the Term of this Agreement. The cessation of operation of Young Chefs Franchise on the premises other than with the written consent of Young Chefs, or the failure of Franchisee to commence operating Young Chefs Franchise within two hundred seventy (270) days from the Effective Date, whether the premises remain vacant or are converted to any use, shall be considered abandonment of the franchise relationship; or

5. Engages in a similar business to that licensed and established under and pursuant to this Agreement without obtaining Young Chefs' prior consent, or violates the covenant against competition, or markets any service or product under a name or mark which, in Young Chefs' opinion, is confusingly similar to the Young Chefs Marks; or

6. Franchisee, and if Franchisee is not a natural person, its owners, officers, directors, shareholder, or partners, are convicted of a felony, a crime involving moral turpitude, or any other crime or offense that Young Chefs believes is reasonably likely to have an adverse effect upon Young Chefs Franchise, the Young Chefs Marks, the goodwill associated therewith, or Young Chefs interest therein; or

7. Franchisee discloses or divulges the contents of the Confidential Operations Manual or other confidential information provided to Franchisee by Young Chefs, whether intentional or not, contrary to the terms of the Agreement, or Franchisee or any owner uses or duplicates the Young Chefs System or engages in unfair competition or discloses any trade secrets of Young Chefs in violation of this Agreement; or

8. Any sale, assignment, transfer, merger or sale in violation of this Agreement occurs; or

9. Franchisee knowingly maintains false books or records, or knowingly submits any false or fraudulent reports, statements or documents to Young Chefs; or Franchisee misuses or makes any unauthorized use of the Young Chefs Marks or any other identifying characteristics of the Young Chefs System, or otherwise materially impairs the goodwill associated therewith or Young Chefs' rights therein; or

10. Franchisee fails to maintain insurance at all times in accordance with this Agreement; or

11. Franchisee is repeatedly in default for failing to comply with any part of this Agreement, whether or not cured after notice.

B. Default with Opportunity to Cure. Except as set forth in provision A of this Section, Franchisee will have fifteen (15) after receipt of a written Notice of Default from Young Chefs within which to remedy or cure any default under this Agreement and provide evidence thereof to Young Chefs; provided, however, that Franchisee may avoid termination by immediately initiating a remedy to cure such default and curing it to Young Chefs' satisfaction within the fifteen (15) day period (or within such longer period as Young Chefs may, at its sole option, grant), and by promptly providing proof thereof to Young Chefs. If any such default is not cured within the specified time, or such longer period as applicable law may require, then this Agreement shall terminate effective immediately upon written notice after the expiration of the fifteen (15) day period or such longer period as applicable law may require. Franchisee shall be in default under this Agreement for failure to comply with any of the requirements imposed by this Agreement or the Confidential Operations Manual as it may periodically be reasonably supplemented or fails to carry out the terms of this Agreement in good faith.

C. No Waiver. The failure of Young Chefs to terminate this Agreement upon the occurrence of one or more events of default will not constitute a waiver or otherwise affect the right of Young Chefs to terminate this Agreement because of a continuing or subsequent failure to cure one or more of the aforesaid events of default or any other default.

D. Notice of Default As Required by Law. Notwithstanding anything to the contrary contained in this Section, if applicable law or regulation limits Young Chefs rights to terminate or requires longer notice periods than those set forth above, this Agreement shall be deemed amended to conform to the minimum notice periods or restrictions upon termination required by such laws and regulations. Young Chefs shall not, however, be precluded from contesting the validity, enforceability or application of such laws or regulations in any action, arbitration, hearing, or dispute relating to this Agreement or the termination thereof.

E. Cross-Default. Any default by Franchisee under the terms and conditions of this Agreement or any other agreement between Young Chefs and Franchisee, which permits Young Chefs to terminate this Agreement or any other agreements, shall be deemed to be a default of each and every other franchise agreement and any other agreements. Furthermore, in the event of termination for any cause of this Agreement or any other agreement between the parties hereto, Young Chefs may terminate any or all said agreements and all other franchise agreements.

F. Non-Compliance Damages. If, as a result of any default or breach by Franchisee or its owners, this Agreement is terminated prior to the natural expiration of the Term of this Agreement, the damages that Young Chefs would suffer for the loss of prospective fees, damage to the Young Chefs Marks and the Young Chefs System, damage to Young Chefs' franchise system and other amounts payable to or for Young Chefs in this Agreement would be difficult if not impossible to ascertain, such that Franchisee agrees to pay non-compliance damages based on a reasonable estimate of the probable damages that Young Chefs would suffer in the form of lost fees, damage to the Young Chefs Marks and the Young Chefs System, damage to Young Chefs' franchise system and other amounts payable hereunder, and not as a penalty, in an amount equal to the greater of either Franchisee's last twelve (12) months (prior to termination of this Agreement) of Monthly Royalty times three (3) or Twenty Thousand ($20,000). In addition, if Franchisee continues to operate the Young Chefs Franchise or a similar business to the Young Chefs Franchise from and after the date of expiration or termination of this Agreement in violation of this Agreement, such continued operation shall constitute willful trademark infringement and unfair competition by Franchisee, and Franchisee shall be liable to Young Chefs for non-compliance damages resulting from such infringement in an amount of Twenty Thousand Dollars ($20,000) for each month that Franchisee continues to operate the Young Chefs Franchise or a similar business to the Young Chefs Franchise from and after the date of expiration or termination of this Agreement in violation of this Agreement. The agreements regarding the payment of non-compliance damages set forth in this Article are not an election of remedies and Young Chefs may pursue all other remedies available to it under this Agreement and applicable law.

G. Survival. This Article shall survive the termination or expiration of this Agreement.

16. EFFECT OF TERMINATION

A. Effect of Termination. Upon termination, expiration or non-renewal of this Agreement for any reason, Franchisee shall do the following:

1. Cease to use the Young Chefs Marks or any confusingly similar name, device, mark, service mark, trademark, trade name, slogan or symbol that was used in connection with Young Chefs Franchise, including any reproduction, counterfeit copy, variation, emulation or colorable imitation thereof which is likely to cause confusion or mistake or deceive the public; and take any steps necessary to change the name of any corporation or entity which Franchisee may have formed, or under this Franchise trades or does business, so that the name will not likely be confused with Young Chefs Marks; and

2. Immediately return to Young Chefs the Confidential Operations Manual or any other manuals loaned to it, together with all materials containing Young Chefs trade secrets or Young Chefs Marks or otherwise marked by Young Chefs as confidential; and

3. Cease to use Young Chefs System and methods of operation and comply with the post-term covenants contained in this Agreement; and

4. Cease to use and shall not sell or otherwise turn over possession to any third parties any usable items bearing the Young Chefs Marks for any purpose; and

5. Promptly assign to Young Chefs, upon Young Chefs' demand, any interest and right that Franchisee may have in the premises where the franchise granted herein is located and operates, unless Franchisee owns said premises; or, if Young Chefs does not so demand such assignment, immediately make such removals or changes in signs and the building as Young Chefs shall request, so as to effectively distinguish the building and premises from its former appearance and from any other Young Chefs franchise. If Franchisee fails to make the changes, Franchisee consents to Young Chefs entering the building and premises to make non-structural changes at Franchisee's sole expense; and

6. Promptly assign to Young Chefs any interest that Franchisee may have in the telephone number and telephone listing used by Franchisee in connection with the operation of the Young Chefs Franchise, and any email addresses, websites, domain names, social media platforms or comparable electronic identifiers that contain the Young Chefs Marks and/or used in connection with the operation of the Young Chefs Franchise. Franchisee shall promptly transfer all telephone calls by call-forwarding to Young Chefs, or to such other party or entity as Young Chefs shall direct and execute any such instruments and take such actions as Young Chefs may deem necessary to affect such transfer. Franchisee acknowledges that this Agreement and any forms providing Young Chefs with authority to effect such transfer shall be conclusive evidence of Young Chefs' rights to such telephone numbers, directory listings, email addresses or electronic identifiers that identify a Young Chefs franchise or use the Young Chefs Marks, and the authority of Young Chefs to direct this transfer; and

7. Promptly assign and deliver to Young Chefs, at Franchisee's expense, any and all customer and membership lists, past and present, and any and all leads for potential customers or embers for Young Chefs Franchise. Franchisee shall not duplicate any customer or membership lists or leads, past or present, used in any manner with Young Chefs Franchise, and after deliverance of said materials to Young Chefs, Franchisee shall destroy any and all copies of customer and membership lists and leads used in any manner with Young Chefs Franchise; and promptly pay all sums and debts owing to all third-party creditors of Young Chefs Franchise, as well as to Young Chefs and its affiliates, whether such sums and debts owing to Young Chefs and its affiliates are evidenced by promissory note, invoice, bill or other writing and notwithstanding the fact that such sums and debts owing to Young Chefs and its affiliates may not at that time, such debts are automatically accelerated without further notice to Franchisee and are immediately due and payable to Young Chefs. If termination is for any default of Franchisee, sums owing to Young Chefs shall include all damages, costs and expenses (including reasonable attorney's fees) incurred by Young Chefs as a result of the default, which obligation shall give rise to and remain, until paid in full, a lien in favor of Young Chefs against any and all of the vehicles, personal property, furnishings, equipment, signs, inventory, fixtures or other assets owned by Franchisee and used in the operation of Franchisee's Young Chefs Franchise at the time of default; and, Franchisee authorizes Young Chefs to file any documents Young Chefs deems necessary to perfect this lien; and

8. Pay all amounts owed to Young Chefs and any third parties to which Franchisee owes an outstanding amount pursuant to the Young Chefs Franchise; and

9. Upon termination, expiration or non-renewal of this Agreement for any reason, Franchisee shall satisfactorily resolve all customer and/or membership disputes; or reimburse Young Chefs or any franchisee who does so for the reasonable cost of such services.

B. Execution of Documents. Young Chefs may, if Franchisee fails or refuses to do so, execute in Franchisee's name and on its behalf, any and all documents necessary to effect the obligations of Franchisee under this Section, and Franchisee hereby irrevocably appoints Young Chefs as Franchisee's attorney-in-fact to do so.

C. Young Chefs' Rights Not Prejudiced. The expiration, termination or non-renewal of this Agreement for any reason shall be without prejudice to Young Chefs' rights against Franchisee and such expiration, termination or non-renewal shall not relieve Franchisee of any of its obligations to Young Chefs existing at the time of expiration, termination or non-renewal, including claims for damages arising directly or indirectly out of any breach or default, nor will it terminate those obligations of Franchisee which by their nature survive the expiration, termination or non-renewals of this Agreement.

D. Survival. This Article shall survive the termination or expiration of this Agreement.

17. RESTRICTIVE COVENANTS

A. Manuals and Confidential Information. During the Term of this Agreement or any time thereafter, Franchisee shall not (except as otherwise contemplated by this Agreement) communicate, divulge or use for itself or for the benefit of any other person, persons, partnership, association, corporation or entity any information, knowledge or know-how concerning the Confidential Operations Manual and Young Chefs System. Franchisee acknowledges that the Confidential Operations Manual and Young Chefs System are confidential, proprietary and trade secrets and will not, at any time, contest the confidentiality of the information in them or Young Chefs' sole ownership of them.

B. Post Term Covenant Not to Compete. On termination or expiration of this Agreement, for a period of two (2) years beginning on the effective date of termination or expiration of this Agreement, the Restricted Persons will not:

1. have any direct or indirect interest as an owner (whether of record, beneficially, or otherwise), investor, partner, director, officer, employee, consultant, representative, or agent in any Competitive Business located or operating (i) at the Accepted Site; or (ii) within seventy five (75) miles from the Accepted Site; provided however that, Restricted Persons may own an equity ownership of less than 5% of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange;

2. divert or attempt to divert any actual or potential business, sites or clients of any Young Chefs Franchise to a Competitive Business; and

3. directly or indirectly, appropriate, use or duplicate the Young Chefs System or any portion thereof for use in any other business or endeavor.

The above restrictions shall also apply to all transferors upon completion of the transfer, as provided in Section 13. If any person restricted by this Section 17.B. refuses to voluntarily comply with these obligations, the two (2) years period for that person will commence with the entry of a court order enforcing this provision. Franchisee on behalf of itself and other Restricted Persons acknowledges that the restrictive covenants made in this Section 17.B. will not deprive the Restricted Persons personal goodwill or ability to earn a living.

C. Non-Solicitation. For two (2) years beginning on the effective date of termination or expiration of this Agreement, neither Franchisee nor any other Restricted Persons will:

1. interfere or attempt to interfere with Young Chefs' or any of its affiliates' relationships with any vendors or consultants; or

2. engage in any other activity which might injure the goodwill of the Young Chefs Marks and/or the Young Chefs System.

D. Young Chefs System, Young Chefs Marks and Confidential Operations Manual. Upon the expiration, termination or non-renewal of this Agreement for any reason or the date on which Franchisee actually ceases operation, Franchisee shall never use: (i) any confidential information from the Confidential Operations Manual; (ii) any confidential information from the Young Chefs System; (iii) any Young Chefs Marks or any form of the Young Chefs Marks; and, or (iv) any other marks, logos or trade dress owned or used by Young Chefs, ; in any manner in any similar business or derive any benefit from any business to that licensed and established under and pursuant to this Agreement.

E. Injunctive Relief. Franchisee acknowledges and agrees that the damage caused to Young Chefs by Franchisee's violation of any portion of this Section shall constitute irreparable injury for which there is no adequate remedy at law and, accordingly, acknowledges and agrees that Young Chefs may seek enforcement of this Section by temporary restraining order, temporary and/or permanent injunction, and such other legal or equitable relief as may be appropriate.

F. Ancillary to Agreement. Franchisee acknowledges that the restrictive covenants set forth in this Section are ancillary to this Agreement and are reasonable and necessary for the protection of the Young Chefs System and the legitimate interests in the goodwill of the business operated by Young Chefs, but, if any such restriction shall be found to be void or voidable but would be valid and enforceable if some part or parts of the restriction were deleted, such restriction shall apply with such modification as may be necessary to make it valid and enforceable.

18. RESOLUTION OF DISPUTES

A. Non-Binding Mediation. Franchisee agrees to attempt to resolve any dispute between Franchisee and Young Chefs that arises out of this Agreement or any aspect of the franchise relationship, save and except any dispute relating to Section 17, by agreeing to mediate any dispute that Franchisee has with Young Chefs regarding any aspect of the franchise relationship or this Agreement, prior to bringing any action in court or arbitration against Young Chefs. Any such mediation shall be non-binding and shall be conducted in accordance with Young Chefs then current procedures for mediation which will be made available to Franchisee upon written request by Franchisee to Young Chefs. Notwithstanding anything to the contrary, this provision shall not bar either party from obtaining injunctive relief against threatened conduct that will cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions, without having to engage in mediation. All aspects of the mediation process shall be treated as confidential, shall not be disclosed to others and shall not be offered or admissible in any other proceeding or legal action whatever. Franchisee and Young Chefs shall each bear its own respective costs and expenses of mediation with each paying one-half (½) the cost of the mediator or mediation service and the mediator’s costs and expenses. All non-binding mediations will occur at the Young Chefs’ offices in Woodway, Texas, or other place where Young Chefs may designate or agree in writing.

B. Institution of Legal Proceedings. Franchisee shall not institute any legal or administrative proceeding for claims arising out of a dispute pursuant to the franchise relationship or this Agreement without first attempting to resolve the dispute through negotiation and non-binding mediation as set forth in provision A of this Section. If the dispute has not been resolved through negotiation or mediation pursuant to this Section, then Franchisee may initiate litigation in accordance with this Agreement.

19. MISCELLANEOUS: GENERAL CONDITIONS

A. Fiduciary Duty. Young Chefs and Franchisee specifically agree and acknowledge that Young Chefs shall not be deemed a fiduciary for or with respect to Franchisee or the operation of Young Chefs Franchise and that pursuant to this Agreement or arising therefrom, Young Chefs owes Franchisee no fiduciary duty of any kind or type.

B. Construction and Interpretation. The Introduction and Recitals shall be considered a part of this Agreement. Section captions are used only for convenience and are in no way to be construed as part of this Agreement or as a limitation of the scope of the particular Sections to which they refer. Words of any gender used in this Agreement shall include any other gender, and words in the singular shall include the plural, where the context requires. If any provision of this Agreement is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning which renders it valid. The Section headings used herein are descriptive only and shall have no legal force or effect whatsoever. The term "**affiliate**" as used in this Agreement is applicable to any company directly or indirectly owned or controlled by Young Chefs. The word "**corporation(s)**" as used in this Agreement shall include all types of corporate entities and limited liability companies (LLCs); and such other similar organizations as are duly formed and existing pursuant to federal, state and or local laws. The word "**partnership(s)**" as used in this Agreement shall include general, partnerships, limited partnerships and such other similar organizations as are duly formed and existing pursuant to federal, state and or local laws.

C. Governing Law, Forum Selection, Waiver of Jury Trial Rights, Limitation of Claims, and Compliance.

1. This Agreement shall become valid when executed and accepted by Young Chefs. The parties agree that it shall be deemed made and entered into in the State of Texas and shall be governed and construed under and in accordance with the laws of the State of Texas.

2. Franchisee and Young Chefs acknowledge and agree that the U.S. District Court for the Western District of Texas, or if such court lacks jurisdiction, the judicial district or county courts (or successor) in and for McLennan County, Texas, shall be the venue and exclusive proper forum in which to adjudicate any case or controversy arising either, directly or indirectly, under or in connection with this Agreement or the relationship between Young Chefs and Franchisee except to the extent otherwise provided in this Agreement and the parties further agree that, in the event of litigation arising out of or in connection with this Agreement or the relationship between Young Chefs and Franchisee in these courts, they will not contest or challenge the jurisdiction or venue or jurisdiction of these courts.

3. THE PARTIES IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING, BROUGHT BY EITHER PARTY.

4. EXCEPT FOR CLAIMS ARISING FROM FRANCHISEE'S NON-PAYMENT OR UNDERPAYMENT OF AMOUNTS FRANCHISEE OWES TO YOUNG CHEFS, ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR YOUNG CHEFS'S RELATIONSHIP WITH FRANCHISEE WILL BE BARRED UNLESS A JUDICIAL PROCEEDING IS COMMENCED IN ACCORDANCE WITH THIS AGREEMENT WITHIN ONE (1) YEAR FROM THE DATE ON WHICH THE PARTY ASSERTING THE CLAIM KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THE CLAIMS.

5. THE PARTIES AGREE THAT ANY PROCEEDING ARISING FROM THIS AGREEMENT OR THE PARTIES' RELATIONSHIP WITH EACH OTHER WILL BE CONDUCTED ON AN INDIVIDUAL BASIS AND THAT ANY PROCEEDING BETWEEN YOUNG CHEFS AND ANY OF ITS AFFILIATES, OR YOUNG CHEFS AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES, ON THE ONE HAND, AND FRANCHISEE (OR FRANCHISEE'S OWNERS, GUARANTORS, AFFILIATES, AND EMPLOYEES), ON THE OTHER HAND, MAY NOT BE: (I) CONDUCTED ON A CLASS-WIDE BASIS, (II) COMMENCED, CONDUCTED OR CONSOLIDATED WITH ANY OTHER PROCEEDING, (III) JOINED WITH ANY CLAIM OF AN UNAFFILIATED THIRD PARTY, OR (IV) BROUGHT ON FRANCHISEE'S BEHALF BY ANY ASSOCIATION OR AGENT.

6. Anything in this Agreement to the contrary notwithstanding, Franchisee shall conduct its business in a lawful manner and faithfully comply with applicable laws or regulations of the United States and the state, county, province, borough, city or other political subdivision in which the Accepted Site is located.

D. Reasonable Business Judgment. Reasonable Business Judgment (as defined herein) shall be applied in all circumstances involving or requiring Young Chefs approval or consent, unless provided otherwise in the Agreement. Reasonable Business Judgment means that Young Chefs' determinations, choices or elections shall prevail, even if other alternatives are also reasonable or arguably preferable, if Young Chefs intends to benefit or is acting in a way that could benefit the Young Chefs System by, for example, enhancing the value of the Young Chefs Marks, protecting the Young Chefs Marks, increasing customer satisfaction, minimizing possible customer confusion as to the Young Chefs Marks or location, or increasing the financial strength of Young Chefs System. Except where otherwise indicated in this Agreement, Young Chefs agrees to use Reasonable Business Judgment when discharging its obligations and exercising its rights and discretion. Young Chefs shall not be required to consider Franchisee's particular economic or other circumstances or to slight its own economic or other business interests when exercising its Reasonable Business Judgment. Franchisee acknowledges that Young Chefs has a legitimate interest in seeking to maximize the return to its shareholders and the fact that Young Chefs benefits economically from an action will not be relevant to showing that Young Chefs did not exercise Reasonable Business Judgment. Neither Franchisee nor any third party (including but not limited to any third party acting as a trier of fact) shall substitute its judgment for Young Chefs Reasonable Business Judgment. In any and all reasonable judgment situations it will be presumed that Young Chefs acted with Reasonable Business Judgment and Franchisee shall have the sole burden of proving that Young Chefs failed to exercise this Reasonable Business Judgment in any respect.

E. Severability. Each provision contained in this Agreement shall for all purposes be construed to be separate and independent. If any provision of this Agreement or the application thereof to any person or circumstance shall to any extent be invalid and unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the other provisions of this Agreement; and the remainder of the Agreement, and the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, it being hereby agreed that such provisions are severable and that this Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted. Each provision of this Agreement shall be valid and shall be enforceable to the fullest extent permitted by law.

F. Notices.

1. All notices to Young Chefs shall be in writing and shall be delivered or sent by registered or certified mail, postage fully prepaid, addressed to Young Chefs at 7728 Central Park Drive, Waco, TX 76712, or such address as Young Chefs shall from time to time designate in writing.

2. All notices to Franchisee shall be in writing and shall be delivered by registered or certified mail by the United Postal Service; by UPS, Federal Express or other overnight delivery service; by telegraph; by facsimile transmission; or, by email at the discretion of Young Chefs. Any of such delivery methods mentioned herein constitutes Notice hereunder and shall be addressed to the Franchisee at the Accepted Site of Franchisee's Young Chefs Franchise or Franchisee's address as provided in this Agreement, or such other address as Franchisee has specified by written Notice.

3. Notices sent by registered or certified mail by the United Postal Service shall be deemed delivered on the earlier of actual receipt or the fourth (4th) day after being deposited in the U.S. Mail. Notices sent by UPS, Federal Express or other overnight delivery service; by telegraph; by facsimile transmission; or, by email shall be deemed delivered the day after being sent.

G. Performance. The parties agree that this Agreement is executed in and is performable in McLennan County, Texas. Young Chefs obligations under this Agreement are only to Franchisee. No other person or entity, directly, indirectly or by subrogation, may rely on, enforce or obtain relief under this Agreement for any default by Young Chefs.

H. **Waiver and Delay.** The acceptance by Young Chefs of any payment specified to be paid by Franchisee hereunder with knowledge of a breach of any covenant or agreement hereof shall not be, nor be construed to be, a waiver of any breach of any term, covenant or condition of this Agreement. The failure or delay by Young Chefs to enforce any of the provisions of this Agreement shall not constitute a waiver of rights or a waiver of any subsequent enforcement of the provisions of this Agreement. The waiver or remedy of any default or breach hereunder shall not waive or affect the default remedied or any prior or subsequent default. However, either party may, by written notice, unilaterally waive or reduce any obligation or restriction of the other party. The waiver or reduction may be revoked at any time for any reason on ten (10) days' written notice. All rights and remedies herein enumerated shall be cumulative and none shall exclude any other right or remedy allowed by law and said rights and remedies may be exercised and enforced concurrently and whenever and as often as the occasion therefore arises. If one (1) year has elapsed since an action that Franchisee has against Young Chefs for any default or breach of this Agreement or the relationship between Franchisee and Young Chefs first originated, then, if Young Chefs has not received written notification of such action from Franchisee, Franchisee agrees that such action is waived, and Franchisee is restricted from seeking recovery for such action regardless of any applicable statute of limitations.

I. **Counterparts.** This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original; and it shall not be necessary in making proof of this Agreement to produce or account for more than one (1) such counterpart.

J. **Savings Clause.** If any term hereof may be construed to obligate Franchisee to pay interest in excess of the highest legal amount, it is agreed that such term is a mistake in calculation or wording and, notwithstanding same, it is agreed that neither Franchisee nor any other person or entity obligated for the payment of any sums hereunder shall ever be obligated to pay interest in excess of the highest lawful amount.

K. **Legal Fees.** In the unlikely event that a dispute occurs or an action in law or equity arises between Young Chefs and Franchisee concerning the operation, enforcement, construction or interpretation of this Agreement, Young Chefs shall be entitled to recover any and all attorney's fees, court costs and expenses incurred in the action if it prevails on most issues.

L. **Assumed Name Certificate.** Franchisee shall file for and maintain an "**Assumed Name Certificate**" in the city, county and/or state where the Accepted Site is located. Franchisee shall furnish evidence of such filing to Young Chefs thirty (30) days before opening.

M. **No Implied Covenant.** Young Chefs and Franchisee have negotiated the terms of this Agreement and agree that neither party shall claim the existence of an implied covenant of good faith and fair dealing to contravene or limit any term, condition, or covenant of this Agreement.

N. **Submission of Agreement.** Submission of this Agreement does not constitute an offer, and this Agreement shall become effective only upon the execution hereof by both Young Chefs and Franchisee and delivery of an executed copy to Franchisee.

O. **Entire Agreement; Amendments.** This Agreement and the Exhibits and attachments constitute the entire agreement between the parties and may not be altered, amended or added to unless such amendment or additional obligation assumed by either party is in writing and signed by both an authorized officer of Young Chefs and by Franchisee. This Agreement shall be deemed to cancel and supersede the terms of all prior written or oral agreements and understandings, if any, between Young Chefs and Franchisee pertaining to such Franchise and/or license, except the representations made to Franchisee in the Young Chefs Franchise Disclosure Document (including its exhibits and any updates or amendments).

P. **Acknowledgments.** Franchisee acknowledges that Young Chefs and its subsidiaries and affiliates have certain rights reserved to them to grant licenses and rights to others, which may or may not be similar to the license and rights conveyed hereunder, to market Young Chefs-approved products and to otherwise use

Young Chefs Marks and the Young Chefs System as Young Chefs deems necessary. Franchisee acknowledges that prior to signing this Agreement, Franchisee had the opportunity to independently investigate, analyze and construe both the business opportunity being offered hereunder and the terms and provisions of this Agreement itself, utilizing the services of such independent attorneys, accountants, or other advisers as Franchisee so elects; and has had the opportunity to contact existing franchisees of Young Chefs. Franchisee acknowledges that no representation or statement has been made to Franchisee by Young Chefs or any employee, agent or salesman thereof that was relied upon by Franchisee regarding the future growth of Young Chefs franchise system, the anticipated income, earnings and growth of Franchisee, the actual sales or income of existing Young Chefs businesses or the viability of the business opportunity conveyed hereunder. Franchisee further acknowledges that Franchisee is not entering into this Agreement based upon any representations or promises by Young Chefs which are not specifically contained in this Agreement or in the Franchise Disclosure Document ("**FDD**"). Franchisee further acknowledges the receipt of a copy of the Young Chefs' current FDD at least fourteen (14) calendar days before Franchisee signed this Agreement or made any payment to Young Chefs.

Franchisee has represented to Young Chefs that neither Franchisee nor any of its owners have been designated as suspected terrorists as set forth on the list of Specially Designated Nationals as promulgated by the Office for Asset Control under the U.S. Department of Treasury.

Franchisee further acknowledges that the success of the franchise business venture contemplated herein involves substantial risks and depends largely upon Franchisee's active participation in the daily affairs of the franchise and the ability of Franchisee as an independent businessperson.

FRANCHISEE ACKNOWLEDGES THAT FRANCHISEE HAS READ EACH AND EVERY WORD OF THIS AGREEMENT, THAT FRANCHISEE UNDERSTANDS THIS AGREEMENT AND THAT FRANCHISEE HEREBY ACCEPTS AND AGREES TO EACH AND ALL OF THE TERMS, OBLIGATIONS PROVISIONS, COVENANTS AND CONDITIONS CONTAINED HEREIN.

Q. Effective Date. This Agreement is effective as of the date first above written.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have duly executed this Agreement in multiple originals, each of which may stand alone as an original, and acknowledge that they signed this in their stated capacities, on the date set forth hereinabove.

FRANCHISEE: [_______________________________________]

By: ____

Name: ____

Title: ____

Date: ____

FRANCHISOR: YCA FRANCHISING, INC.

By: ____

Julie Burleson, Chief Executive Officer

Date: ____

Schedule 1

FRANCHISED TERRITORY

The Franchised Territory outlined below are as of the Effective Date and shall not be altered during the Term of this Agreement except pursuant to a written addendum signed by both parties. The Franchised Territory shall include the geographical area that is defined by the darkened area on the following map:

FRANCHISEE:

BY: ____
NAME, Individually

Schedule 2

ADDENDUM TO LEASE

This Addendum to Lease (this "Addendum") is entered into this ______ day of ______________, 20_____, and modifies a Lease Agreement dated the same date (the "Lease") entered into by ______________________ ("Franchisee") and ("Landlord") for premises located at _____________________ (the "Premises").

1. **Introduction**. Franchisee has entered into a Franchise Agreement dated __________ ("Franchise Agreement") with YCA Franchising, Inc. ("the Company"). The Franchise Agreement requires Franchisee's lease for the Premises to contain certain provisions. In consideration of the agreement of the Company to enter into a Franchise Agreement with Franchisee for a Young Chefs Academy franchise to be located at the Premises, Landlord and Franchisee agree that the provisions contained in this Addendum will be applicable to the Lease notwithstanding anything to the contrary contained in the Lease.

2. **Use**. The Premises must not be used for any purpose other than the operation of a Young Chefs Academy business during the term of the Lease, including renewals.

3. **The Company's Option**. Landlord and Franchisee hereby grant to the Company the exclusive right, exercisable at the option of the Company, to be assigned all right, title and interest of Franchisee in and to the Lease and the Premises on the expiration or termination of the Franchise Agreement or on cessation of use of the Premises for a Young Chefs Academy business. The Company must give written notice of its intent to exercise this option no later than thirty (30) days after the event triggering the option. On the giving of notice of exercise by the Company, the Lease, and all right, title and interest of Franchisee under the lease and to the Premises will be automatically, and without need of further instrument, assigned to the Company. If the Company does not give notice of exercise within the thirty (30) day period, the Company will be deemed to have forfeited all its rights under this Section. Landlord and Franchisee agree to execute documents confirming this assignment in the form presented by the Company, including a short form of Lease suitable for recording.

4. **The Company's Access**. Landlord and Franchisee grant to the Company the right to enter the Premises to inspect and audit the Franchisee's business and to make any modifications necessary to protect the Company trademarks and goodwill. Landlord will provide the Company entry to the Premises at the request of the Company without notice to or consent from Tenant.

5. **Exclusivity**. If the Premises is a part of a strip mall, shopping center or any similar location, Landlord shall not lease any other space in such mall or shopping center to any business that generates more than 5% of its gross revenue by conducting cooking classes.

6. **Notice of Default and Right to Cure**. In case of breach of the Lease by the Franchisee, the Landlord must, prior to exercising any remedy that the Landlord may have under the Lease, give a written notice of such breach to the Company and the Company shall have the right, but not the obligation to, cure such breach within thirty (30) days from the date of its receipt of such notice.

7. **Amendment**. Franchisee and Landlord agree that the Lease may not be terminated, modified or amended without the Company's prior written consent, nor shall Landlord accept surrender of the Premises without the Company's prior written consent. Franchisee agrees to promptly provide the Company with copies of all proposed modifications or amendments and true and correct copies of the signed modifications and amendments.

8. **Third-Party Beneficiary.** The Company is a third-party beneficiary of this Addendum. Therefore, the Company shall have all rights (but not the obligation) to enforce the terms of this Addendum.

9. **Copy of Lease**. Landlord and Franchisee agree to provide the Company with a copy of the fully executed Lease within 10 days of its full execution by Landlord and Franchisee.

10. **Successors and Assigns**. All of the Company's rights, privileges and interests under this Addendum and the Lease shall inure to the benefit of the Company's successors and assigns. All provisions of this Addendum applicable to Franchisee and Landlord shall be binding upon any successor or assign of Franchisee or Landlord under the Lease.

11. **Counterparts**. This Addendum may be executed in multiple counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Faxed, scanned or electronic signatures shall have the same effect and validity, and may be relied upon in the same manner, as original signatures.

LANDLORD: ______________________________	**FRANCHISEE**: ____________________________
By: ____________________________________	By: ____________________________________
Name: __________________________________	Name: __________________________________
Title: ___________________________________	Title: ___________________________________
Date: ___________________________________	Date: ___________________________________

EXHIBIT C

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Young Chefs Academy Confidential Operations Manual
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722 pages

Additional Items:
- Curriculum
- Current Events & Resources
- Marketing Resources & Images

EXHIBIT D

LIST OF CURRENT FRANCHISE LOCATIONS

Operational Outlets (as of 12/31/2021):

Territory	Franchisee Name	Address	City	State	Zip Code	Phone
Rogers, AR	Ben & Becky Ibarra	5208 Village Parkway	Rogers	AR	72758	(479) 401-2006
Coral Springs, FL	Willmour & Gayon Daniel	10412 West Atlantic Blvd.	Coral Springs	FL	33071	(954) 302-7777
Seminole, FL	Paul & Elizabeth Neale	9690 Seminole Blvd	Seminole	FL	33772	(727) 350-4587
Cumming, GA	Heather & Bert Gary	1595 Peachtree Parkway Ste 122	Cumming	GA	30041	(470) 297-8080
Marietta, GA	Chad Polikov	2769 Chastain Meadows Pkwy. Ste 95	Marietta	GA	30066	(678) 540-4806
Sandy Springs, GA	Kia Coachman	230 Hammond Dr. NE Ste 368	Sandy Springs	GA	30328	(678) 471-6655
Lenexa, KS	Amy & Josh Raniag	10082 Woodland Rd.	Lenexa	KS	66220	(913) 764-0077
Baton Rouge, LA	Gay Nan Moree	7970 Jefferson Hwy. Ste E	Baton Rouge	LA	70809	(225) 928-2022
Bel Air, MD	Adam Bell	130 N. Bond St. #101	Bel Air	MD	21014	(443) 470-8866
Marlboro, NJ	Lyle Stone	712 Ginesi Drive	Morganville	NJ	07751	(732) 536-7777
Forest Hills, NY	Jason Xiao	116-10 Queens Blvd	Forest Hills	NY	11375	(718) 268-0343
Gahanna, OH	Tresalyn Butler	425 Beecher Rd.	Gahanna	OH	43230	(614) 933-9700
Solon, OH	Ray & Jennifer Must/Sy & Tonya Mougrabi	28500 Miles Rd.	N. Solon	OH	44139	(440) 853-5004
Strongsville, OH	Ray & Jennifer Must/Sy & Tonya Mougrabi	14759 Pearl Rd.	Strongsville	OH	44136	(440) 853-5004

Allentown, PA	Nanditha Mudigonda & Rakesh Gope	4662 Broadway Rd.	Allentown	PA	18104	(610) 898-3365
Allen-McKinney, TX	Bhavna Agarwal	939 W. Stacy Rd. Ste. 145	Allen	TX	75013	(214) 295-8855
Frisco, TX	Bhavna Agarwal	8855 Preston Trace Blvd.#100	Frisco	TX	75033	(972) 335-4449
Rockwall, TX	George & Dottie Corder	910 Steger Towne Drive	Rockwall	TX	75032	(469) 264-7445
San Antonio, TX	Michael DeBerry	20330 Huebner Rd. Ste 110	San Antonio	TX	78258	(210) 402-0023
The Woodlands, TX	Chris & Elizabeth McKelvey	2520 Research Forest Drive	The Woodlands	TX	77381	(281) 892-2382
Richmond, VA	Kristen Braia	2230 John Rolfe Parkway	Richmond	VA	23233	(804) 360-9797
Covington, WA	Deb O'Brein	16908 SE 269th Place Ste 106	Covington	WA	98042	(425) 658-2433

Franchise Agreement Signed But Outlet Not Yet Open (as of 12/31/2021):

Wesley Chapel, FL	Paul & Elizabeth Neale	23606 State Road 54	Lutz	FL	33596	(813) 574-2433
Charleston, SC	Daniel & Kristen Braia & Diane Tausig	729 Long Point Rd	Mt. Pleasant	SC	29464	(843) 428-2400

EXHIBIT E

LIST OF FORMER FRANCHISEES
The Left the System in 2021

Franchisees who left our system in our last fiscal year (i.e., termination, non-renewal, cancellation, transfer or otherwise ceased to do business) or have not communicated with us in the last 10 weeks. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Franchisee	City	State	Last Known Phone Number	Reason
Keera & Jared Reid	Wesley Chapel	FL	(813) 900-6642	Acquired by franchisor
Jessica Yeun	Seminole	FL	(727) 251-6325	Acquired by franchisor
Alfonso & Mary Vidal	Rogers	AR	(479) 202-1261	Resale

EXHIBIT F

FINANCIAL STATEMENTS

The following statement applies to the unaudited portion of the financial statements which follows:

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

YCA Franchise Inc
Unaudited Balance Sheet
March 2022

Prepared on an Accrual Basis

		Mar 31, 22
ASSETS		
Current Assets		
Checking/Savings		
10001 · AB Checking Account 6204	$	221,402.64
10198 · AB - AD Fund Account 8869	$	94,943.76
Total Checking/Savings	$	316,346.40
Total Current Assets	$	316,346.40
Fixed Assets		
18000 · Property Plant and Equipmnet		
18100 · Furniture and Equipment	$	17,946.00
18700 · Accumulated Depreciation	$	(12,671.11)
Total 18000 · Property Plant and Equipmnet	$	5,274.89
Total Fixed Assets	$	5,274.89
Other Assets		
14000 · Trademarks		
14100 · Young Chef Trademark	$	13,835.60
14500 · Accum Amortization Tradema	$	(4,843.84)
Total 14000 · Trademarks	$	8,991.76
15000 · Intangible Assets		
15100 · Acquisition of YCI	$	115,000.00
15500 · Amortization of YCI Acq	$	(115,000.00)
Total 15000 · Intangible Assets	$	-
19500 · Notes Receivable From JKRC, LLC	$	1,798.43
19526 · Note from Polikov, Mariett,GA	$	1,125.06
Total Other Assets	$	11,915.25
TOTAL ASSETS	**$**	**333,536.54**
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Credit Cards		
	$	2,726.22
Total Credit Cards	$	2,726.22
Other Current Liabilities		
	$	26,118.62
Total Other Current Liabilities	$	26,118.62
Total Current Liabilities	$	28,844.84
Total Liabilities	$	28,844.84
Equity		
30000 · Common Stock	$	1,087.00
31000 · Additional Paid in Capital	$	261,110.49
31100 · Retained Earnings	$	(51,241.52)
31110 · Opening Balance Equity	$	(37,589.00)

Net Income	$	131,324.73
Total Equity	$	304,691.70
TOTAL LIABILITIES & EQUITY	**$**	**333,536.54**

YCA Franchise Inc
Unaudited Profit & Loss
March 2022

YCA Franchise Inc
Profit & Loss
March 2022

Prepared on an accrual basis	Mar 22
Ordinary Income/Expense	
Income	
40010 · Franchise Sales	$ 139,600.00
40100 · Sales Royalties	$ 24,501.99
40200 · Fees - Advertising - AD Fund	$ 8,335.55
40500 · Interest Income	$ 7.02
Total Income	$ 172,444.56
Cost of Goods Sold	
50010 · Advertising & Promotion	$ 1,409.18
50600 · Marketing Expenses	$ 3,325.35
50610 · Franchise Sales - Expense	$ 309.00
Total COGS	$ 5,043.53
Gross Profit	$ 167,401.03
Expense	
50000 · Contract Labor Services	$ 150.00
50015 · Wages / Salary Exp	$ 18,660.00
50150 · Computer and Internet Expenses	$ 4,757.90
50250 · Insurance Expense	$ 207.50
50260 · Supplies & Food for Training	$ 225.04
50300 · Office Expense or Supplies	$ 240.60
50320 · Travel Expense	$ 854.51
50340 · Meals and Entertainment	$ 331.93
50400 · Professional Fees - Accounting	$ 285.38
50410 · Audit Fees	$ 1,500.00
50450 · Telephone Expense	$ 215.59
50500 · Utilities	$ 653.08
60100 · Interest Exp	$ 96.48
60400 · Bank Service Charges	$ 91.30
66000 · Payroll Tax Expenses	$ 1,461.14
66010 · Employee Expense	$ 113.00
66500 · Postage and Delivery	$ 18.17
Total Expense	$ 29,861.62
Net Ordinary Income	$ 137,539.41
Net Income	**$ 137,539.41**

CDM Financials, LLC
Certified Public Accountants, Business Advisors

Independent Auditor's Report

YCA Franchise, Inc.
Waco, Texas

Opinion

We have audited the financial statements of YCA Franchise, Inc., which comprise the balance sheets as of December 31, 2021 and 2020, and the related statements of income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of YCA Franchise, Inc. as of December 31, 2021 and 2020, 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. *We are required to be independent of YCA Franchise, Inc. 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 YCA Franchise, Inc.'s ability to continue as a going concern for one year from the date that the financial statements are issued.

Auditor's Responsibilities/or the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of YCA Franchise, Inc.'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 YCA Franchise, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

CDM Financials, LLC

CDM Financial, LLC
Fairburn, GA
February 18, 2022

YCA FRANCHISING, INC.
BALANCE SHEET
AS OF DECEMBER 31, 2021 and 2020

ASSETS

	2021	2020
Current Assets		
Cash	$ 168,504	$ 3,951
Current maturities of note receivable	2,795	6,213
Accounts receivable	25,517	15,000
Total Current Assets	196,816	25,164
Note receivable, less current maturities	-	28,607
Property and equipment	5,275	7,069
Intangible assets	8,992	9,684
Total Assets	$ 211,083	$ 70,524

LIABILITIES AND STOCKHOLDER DEFICIT

	2021	2020
Current Liabilities		
Accounts payable - trade	$ 2,121	$ -
Total Current Liabilities	2,121	-
Long-term notes payable - line of credit	26,119	29,000
Total Liabilities	$ 28,240	$ 29,000
Stockholder Deficit		
Common Stock - $1 par - 1,000,000 shares authorized; 1,000 shares issued and outstanding	$ 1,000	$ 1,000
Additional Paid in Capital	261,197	261,197
Accumulated Deficit	(79,354)	(220,673)
Total Stockholder Deficit	$ 182,843	$ 41,524
Total Liabilities and Stockholder Deficit	$ 211,083	$ 70,524

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

YCA FRANCHISING, INC.
INCOME STATEMENT
FOR THE PERIODS ENDED DECEMBER 31, 2021 and 2020

	2021	2020
Revenue		
Initial Franchise Fees	$ 98,815	$ 69,900
Royalty Income	250,550	172,445
Advertising Fees	94,123	38,753
Other Income	45,004	36,796
Total Revenue	$ 488,492	$ 317,894
Expense		
Selling and Marketing Expense	$ 24,433	$ 29,659
General and Administrative	321,742	301,766
Total Expense	346,175	331,425
Income From Operations	142,317	(13,531)
Interest Income	317	544
Interest Expense	(1,315)	(1,307)
Net Income/ (Loss)	$ 141,319	$ (14,294)

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

YCA FRANCHISING, INC.
STATEMENT OF MEMBERS' EQUITY
FOR THE PERIODS ENDED DECEMBER 31, 2021 and 2020

	Common Stock		Additional	Accumulated	Total
	Shares	Amount	Paid in Capital	Deficit	Equity
Ending Balance December 31, 2019	1,000	$ 1,000	$ 118,513	$ (206,378)	$ (86,865)
Net Loss December 31, 2020				(14,294)	
Contributions			142,596		
Ending Balance December 31, 2020	1,000	$ 1,000	$ 261,109	$ (220,672)	$ 41,437
Net Income December 31, 2021				141,319	
Contributions			87		
Ending Balance December 31, 2021	1,000	$ 1,000	$ 261,196	$ (79,353)	$ 182,843

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

YCA FRANCHISING, INC.
STATEMENT OF CASH FLOWS
AS OF DECEMBER 31, 2021 and 2020

	2021	2020
OPERATING ACTIVITIES		
Net Income / (Loss)	$ 141,319	$ (14,294)
Adjustments to reconcile net income to net		
cash provided by operating activities		
Depreciation and Amortization	2,486	2,486
Changes in accounts payable	2,121	(22,392)
Changes in other current liabilities	-	(69,865)
Changes in accounts receivable	(10,517)	(15,000)
Net Cash Provided by / (used for) Operating Activities	$ 135,409	$ (119,065)
INVESTING ACTIVITIES		
Change in notes receivable	$ 32,025	$ 13,045
Changes in fixed assets	-	232,711
Net Cash Provided by / (Used for) Investing Activities	$ 32,025	$ 245,756
FINANCING ACTIVITIES		
Payments on notes payable	(2,881)	(277,852)
Contributions	-	142,596
Net Cash From Provided by / (Used for) Financing Activities	$ (2,881)	$ (135,256)
Net Change in Cash	$ 164,553	$ (8,565)
Cash at Beginning of Period	3,951	(43,679)
Cash at End of Period	$ 168,504	$ (52,244)

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

YCA FRANCHISING, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDING DECEMBER 31, 2021 and 2020

Note 1 - Nature of Business

YCA Franchising, Inc. (the "Company") operates as a franchisor for Young Chefs Academy, a cooking school for children and teens. Young Chefs Academy teaches students across the world that cooking can be quite creative, full of discovery, and fun using new science, math, reading, health, and social skills through hands-on cooking classes, parties, camps, and other activities. As a franchisor, the Company solicits, procures and sells Young Chefs Academy retail franchises on an ongoing basis. Generally, these services include assistance in site selection, training personnel, and advertising.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting
The financial statements for YCA Franchising, Inc. were prepared using the accrual basis of accounting. Under this method income is recorded when earned and expenses are recorded when incurred.

Reporting Period
For tax and reporting purposes, YCA Franchising, Inc. operates on a calendar year consisting of a full twelve months beginning with January 1 and ending December 31.

Cash and Cash Equivalents
The Company considers cash on hand, cash in banks and other short-term securities with maturities of three months or less when purchased as cash and cash equivalents.

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

Note 3 – Revenue Recognition

The Company adopted ASU 2014-09 Revenue from Contracts with Customers and all subsequent amendments to the ASU (collectively, "ASU 606") which creates a single framework for recognizing revenue from contracts with customers that fall within its scope. In adopting ASC 606 the full retrospective method was used to determine revenue under the current standard. Completion of the implementation analysis resulted in no adjustment to the beginning accumulated deficit balance.

Initial franchise fees are used to secure the franchisees designated territory and cover the necessary training and orientation. Franchise sales are only recognized when the Company satisfies all its performance obligations to its franchisees. Accordingly, for the year ending December 31, 2021 and for the periods prior to adoption of ASC 606, the company had no unearned income to report.

Note 4 - Advertising Expense

YCA Franchising, Inc. accounts for advertising expense in accordance with SOP 93-7 'Reporting of Advertising Cost'. Accordingly, advertising that does not provide a future benefit should be expensed as incurred. Advertising expense for December 31, 2021 and 2020 was $24,432 and $29,659 respectively.

Note 5 - Long-lived Assets

Long-lived assets, such as property and equipment, and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset to be tested for possible impairment, the Company first compares the undiscounted cash flows expected to be generated by an asset to the carrying value of the asset. If the carrying value of the long-lived asset is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values and third-party independent appraisals, as considered necessary

Note 6 – Fixed Assets

Fixed assets are carried at cost less accumulated depreciation. Assets are depreciated using the straight-line method over the estimated useful life of the assets. Expenditures that materially extend the life of the asset are capitalized; normal repairs and maintenance are charged to expense.

Note 7 – Note Receivable

Notes receivable also includes amounts receivable from a related party. Information with respect to this note receivable is as follows:

	2021	2020
Note receivable from related party, unsecured, bearing interest at 4% until paid in full.	$2,795	$34,820

Note 8 –Notes Payable

Notes payable includes the following amounts due to unrelated parties:

	2021	2020
Long-term note payable from unrelated party. Interest accrues at 4.75%	$26,119	$29,000

Note 9 - Provision for Income Taxes

YCA Franchising, Inc. has elected S Corporation status under the Internal Revenue Service code. Under this provision, all corporate income is passed through to its owners who are liable for paying income tax on the related income. Thus, no income tax provisions have been made at the corporate level.

Note 10 – Subsequent Events

The Company has evaluated subsequent events through the date which the financial statements were available to be issued. No such events have occurred.

INDEPENDENT AUDITOR'S REPORT

Board of Directors and Management
YCA Franchising, Inc.
Waco, Texas

I have audited the accompanying financial statements of YCA Franchising, Inc., which comprise the balance sheet as of December 31, 2020 and 2019, and the related statements of operations, changes in members' equity, 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.

Auditors' Responsibility
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion
In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of YCA Franchising, Inc. as of December 31, 2020 and 2019 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Charlene D. Moultrie

Charlene D. Moultrie, CPA
Fairburn, GA
April 25, 2021

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

YCA FRANCHISING, INC.
BALANCE SHEET
AS OF DECEMBER 31, 2020 and 2019

ASSETS

	2020	2019
Current Assets		
Cash	$ 3,951	$ 12,516
Current maturities of note receivable	6,213	6,213
Accounts receivable	15,000	-
Total Current Assets	25,164	18,729
Note receivable, less current maturities	28,607	41,652
Property and equipment	7,069	241,574
Intangible assets	9,684	10,376
Total Assets	$ 70,524	$ 312,331

LIABILITIES AND STOCKHOLDER DEFICIT

	2020	2019
Current Liabilities		
Note Payable - related party	$ -	$ 81,242
Note Payable - third party	-	24,000
Accounts payable - trade	-	22,392
Accrued interest - related parties	-	69,865
Total Current Liabilities	-	197,499
Long-term notes payable - line of credit	29,000	-
Long-term noes payable - affiliate companies	-	201,610
Total Liabilities	$ 29,000	$ 399,109
Stockholder Deficit		
Common Stock - $1 par - 1,000,000 shares authorized; 1,087 shares issued and outstanding	$ 1,087	$ 1,087
Additional Paid in Capital	261,110	118,513
Accumulated Deficit	(220,673)	(206,378)
Total Stockholder Deficit	$ 41,524	$ (86,778)
Total Liabilities and Stockholder Deficit	$ 70,524	$ 312,331

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

YCA FRANCHISING, INC.
INCOME STATEMENT
FOR THE PERIODS ENDED DECEMBER 31, 2020 and 2019

	2020	2019
Revenue		
Initial Franchise Fees	$ 69,900	$ 88,700
Royalty Income	172,445	267,101
Other Income	75,549	3,130
Total Revenue	$ 317,894	$ 358,931
Expense		
Selling and Marketing Expense	$ 29,659	$ 82,857
General and Administrative	301,766	316,700
Total Expense	331,425	399,557
Income From Operations	(13,531)	(40,626)
Interest Income	544	883
Interest Expense	(1,307)	(19,037)
Net Income/ (Loss)	$ (14,294)	$ (58,780)

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

YCA FRANCHISING, INC.
STATEMENT OF MEMBERS' EQUITY
FOR THE PERIODS ENDED DECEMBER 31, 2020 and 2019

	Common Stock		Additional	Accumulated	Total
	Shares	Amount	Paid in Capital	Deficit	Equity
Ending Balance December 31, 2019	1,087	$ 1,087	$ 118,513	$(206,378)	$ (86,778)
Net Loss December 31, 2020				(14,294)	
Contributions			142,596		
Ending Balance December 31, 2020	1,087	$ 1,087	$ 261,109	$(220,672)	$ 41,524

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

YCA FRANCHISING, INC.
STATEMENT OF CASH FLOWS
AS OF DECEMBER 31, 2020 and 2019

	2020	2019
OPERATING ACTIVITIES		
Net Income / (Loss)	$ (14,294)	$ (58,780)
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and Amortization	2,486	29,738
Changes in amounts due from affiliates	-	36,436
Changes in accounts payable	(22,392)	(5,553)
Changes in other current liabilities	(69,865)	17,208
Changes in accounts receivable	(15,000)	-
Net Cash Provided by / (used for) Operating Activities	$ (119,065)	$ 19,049
INVESTING ACTIVITIES		
Change in notes receivable	$ 13,045	$ (27,525)
Changes in fixed assets	232,711	-
Net Cash Provided by / (Used for) Investing Activities	$ 245,756	$ (27,525)
FINANCING ACTIVITIES		
Proceeds from notes payable	$ -	$ 19,759
Payments on notes payable	(277,852)	-
Contributions	142,596	-
Net Cash From Provided by / (Used for) Financing Activities	$ (135,256)	$ 19,759
Net Change in Cash	$ (8,565)	$ 11,283
Cash at Beginning of Period	12,516	1,233
Cash at End of Period	$ 3,951	$ 12,516
Supplemental Cash Flow Information		
Cash paid for interest	$ 1,307	$ 19,037

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

YCA FRANCHISING, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDING DECEMBER 31, 2020 and 2019

Note 1 - Nature of Business

YCA Franchising, Inc. (the "Company") operates as a franchisor for Young Chefs Academy, a cooking school for children and teens. Young Chefs Academy teaches students across the world that cooking can be quite creative, full of discovery, and fun using new science, math, reading, health, and social skills through hands-on cooking classes, parties, camps, and other activities. As a franchisor, the Company solicits, procures and sells Young Chefs Academy retail franchises on an ongoing basis. Generally, these services include assistance in site selection, training personnel, advertising and servicing the franchise to maintain standards of quality for goods and services. At December 31, 2020 and 2019, the Company provided services to twenty-five Young Chefs Academy retail franchises. Approximately 5% of revenues for 2020 and 2019, was from international customers.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting
The financial statements for YCA Franchising, Inc. were prepared using the accrual basis of accounting. Under this method income is recorded when earned and expenses are recorded when incurred.

Reporting Period
For tax and reporting purposes, YCA Franchising, Inc. operates on a calendar year consisting of a full twelve months beginning with January 1 and ending December 31.

Cash and Cash Equivalents
The Company considers cash on hand, cash in banks and other short-term securities with maturities of three months or less when purchased as cash and cash equivalents.

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

Note 3 – Revenue Recognition

The Company adopted ASU 2014-09 Revenue from Contracts with Customers and all subsequent amendments to the ASU (collectively, "ASU 606") which creates a single framework for recognizing revenue from contracts with customers that fall within its scope. The Company's services that fall within the scope of ASC 606 are presented within Initial Franchise Fee Income. Accordingly, Franchise Fee Income is recognized when the Company satisfies all its performance obligations to the customer.

Note 4 - Advertising Expense

YCA Franchising, Inc. accounts for advertising expense in accordance with SOP 93-7 'Reporting of Advertising Cost'. Accordingly, advertising that does not provide a future benefit should be expensed as incurred. Advertising expense for December 31, 2020 and 2019 was $29,659 and $59,874 respectively.

Note 5 - Long-lived Assets

Long-lived assets, such as property and equipment, and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset to be tested for possible impairment, the Company first compares the undiscounted cash flows expected to be generated by an asset to the carrying value of the asset. If the carrying value of the long-lived asset is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values and third-party independent appraisals, as considered necessary

Note 6 – Fixed Assets

Fixed assets are carried at cost less accumulated depreciation. Assets are depreciated using the straight-line method over the estimated useful life of the assets. Expenditures that materially extend the life of the asset are capitalized; normal repairs and maintenance are charged to expense.

Note 7 – Note Receivable

The Company accepted assignment of an unrelated note receivable in settlement of amounts owed by an affiliated company in the amount of $30,000. Information with respect to this note receivable is as follows:

	2020	2019
Note receivable from unrelated company, unsecured, bearing interest at 5%, payable in monthly installments of $566, and maturing February, 2022	$8,745	$14,429
	8,745	14,429
Less current maturities	(6,213)	(6,213)
	$2,532	$8,216

Notes receivable also includes amounts receivable from a related party. Information with respect to this note receivable is as follows:

	2020	2019
Note receivable from related party, unsecured, bearing interest at 4% until paid in full.	$26,075	$33,436

Note 8 – Related Party Notes Payable

Notes payable to stockholders:

	2020	2019
Note payable to stockholder, interest accrues at 6% and is payable at maturity in March, 2020	-	$81,242
	-	$81,242

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

Note 8 – Related Party Notes Payable (continued)

Note payable to affiliated companies consist of:

	2020	2019
Real estate note payable to a corporation owned by a stockholder, interest accrues at 6%, principal and interest are due in monthly installments of $1,576 through November 2024, secured by land and building	-	$190,566
Unsecured note payable to a limited partnership owned by a stockholder, interest accrues at 6% principal and accrued interest are due at maturity in March, 2020	-	18,286
	-	208,852
Less current maturities	-	(7,242)
	-	$201,610

Notes payable also includes the following amounts due to unrelated parties:

	2020	2019
Note payable from unrelated party maturing during 2020.	-	$24,000
Long-term note payable from unrelated party. Interest accrues at 4.75%	$29,000	-

Note 9 - Provision for Income Taxes

YCA Franchising, Inc. has elected S Corporation status under the Internal Revenue Service code. Under this provision, all corporate income is passed through to its owners who are liable for paying income tax on the related income. Thus, no income tax provisions have been made at the corporate level.

Note 11 – Subsequent Events

The Company has evaluated subsequent events through the date which the financial statements were available to be issued. No such events have occurred.

EXHIBIT G

BANK AUTHORIZATION FORM

Please fill out this entire form.

Name of Company (if company account)		
Contact Person:	Business Phone:	
Title:		
Address:		
City:	State:	Zip:
Name of Territory:		

Name of Financial Institution:
Account Number:
***ACH Financial Institution Routing Number:** ***You must verify this number with your bank.** ____ ____ ____ ____ ____ ____ ____ ____ ____

As of the date below, I authorize YCA Franchising, Inc. and the financial institution named above to initiate entries to the above-referenced account and, if necessary, initiate adjustments for any transactions credited in error. I also authorize YCA Franchising, Inc. to withdraw from my account any and all payments due to YCA Franchising, Inc. for initial franchise fees, royalties, advertising fees, any other fees and any products that I purchase from YCA Franchising, Inc. for my *Young Chefs Academy* franchise. This authority will remain in effect until I notify YCA Franchising, Inc. and the financial institution named above in writing to cancel it in such time as to afford the financial institution a reasonable opportunity to act on it. I can stop payment of any entry by notifying my financial institution at least 3 days before my account is charged. I can have the amount of an erroneous charge immediately credited to my account up to 15 days following issuance of my financial institution statement or 60 days after deposit, whichever occurs first.

Date: ________________________________

Signature: ____

Title (if corporate entity): ____

EXHIBIT H

PERSONAL GUARANTY OF FRANCHISE AGREEMENT

This PERSONAL GUARANTY OF FRANCHISE AGREEMENT (this "Guaranty Agreement") is entered into by **[INSERT INDIVIDUAL NAME]**, individually, whose principal address is **[INSERT ADDRESS OF INDIVIDUAL]** ("Guarantor").

WHEREAS, YCA Franchising, Inc. ("YCA") and **[INSERT COMPANY NAME FROM FRANCHISE AGREEMENT]** ("Corporate Entity") entered into a franchise agreement pursuant to which YCA granted the Corporate Entity a license to own and operate a *Young Chefs Academy* franchise that provides cooking classes for children and occasionally classes for special needs adults, adult team building cooking events, and cooking classes for adults using YCA's trademarks, confidential business practices, trade secrets, proprietary information, related business processes and training methods in a geographic area identified as **[INSERT TERRITORY NAME FROM FRANCHISE AGREEMENT]** (hereinafter referred to as "Franchise Agreement"); and

WHEREAS, in consideration of YCA entering into the Franchise Agreement with the Corporate Entity, Guarantor has agreed to unconditionally and absolutely guarantee to YCA that Guarantor shall assume any and all obligations of the Corporate Entity under the Franchise Agreement and personally guarantee the performance of those obligations, including without limitation, the non-competition covenants and all other terms and conditions as set forth in the Franchise Agreement.

NOW, THEREFORE, in consideration as cited herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Guarantor agrees as follows:

1. Guarantor hereby unconditionally and absolutely individually guarantees to YCA, the performance of and compliance by the Corporate Entity of all its obligations under the Franchise Agreement. Further Guarantor (i) assumes the Corporate Entity's obligations under the Franchise Agreement; (ii) agrees to be personally liable for the breach of the Franchise Agreement; and (iii) agrees to be bound by all other terms and conditions as set forth in the Franchise Agreement, including, without limitation, the restrictive covenants, warranties, non-competition covenants, and obligation to make payments under the Franchise Agreement.

2. YCA shall not be required to pursue any other remedies before invoking its rights under this Guaranty Agreement; including, without limitation, YCA shall not be required to commence, pursue or exhaust any remedy against the Corporate Entity and/or any of the Corporate Entity's partners, owners, managers, shareholders, or other guarantors before invoking its rights under this Guaranty Agreement. YCA may proceed against the Corporate Entity, Guarantor, and other guarantors of the Corporate Entity jointly and severally.

3. Should the Corporate Entity cease to exist, whether due to sale, dissolution, merger, acquisition, bankruptcy, etc., Guarantor shall remit and also cover all payments due under the Franchise Agreement.

4. Guarantor acknowledges that (i) YCA and the Corporate Entity may, from time to time, amend the Franchise Agreement, and (ii) other individuals may execute a similar Personal Guarantee of Franchise Agreement. Guarantor agrees that neither of the forgoing shall in any way impair or diminish the obligations of Guarantor hereunder.

5. Guarantor waives: (i) acceptance and notice of acceptance by the Corporate Entity of the obligations under the Agreement; (ii) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed under this Guaranty Agreement; (iii) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed under this Guaranty Agreement; (iv) any

right he or she may have to require that an action be brought against the Corporate Entity or any other person as a condition of liability.

6. This Guaranty Agreement shall inure to the benefit of any transferee, assignee, heir and successor in interest of YCA. YCA, as used herein, shall mean and include any successor to YCA or any such heir, transferee, assignee or subsequent owner.

7. The provisions of this Guaranty Agreement shall not be interpreted to allow the status of the Corporate Entity or Guarantor's ownership interests in the Franchise Agreement to be altered without strict compliance with the terms of the Franchise Agreement.

8. Guarantor represents and warrants that he/she is fully empowered to execute this Guaranty Agreement and that all necessary actions for the execution of this Guaranty Agreement have been taken. Further, Guarantor represents and warrants that he/she has had the opportunity to have this Guaranty Agreement reviewed by counsel of his/her choice and has fully been advised by counsel of his/her choice regarding this Guaranty Agreement.

9. If any provision of this Guaranty Agreement shall for any reason be held to violate any applicable law, governmental rule or regulation, or if any provision of this Guaranty Agreement is held to be unenforceable or unconscionable, then the invalidity of such specific provisions herein shall not be held to invalidate the remaining provisions of this Guaranty Agreement.

10. Guarantor agrees to take any and all necessary steps, sign and execute any and all necessary documents, agreements or instruments that are or will be required to implement the terms of this Guaranty Agreement, and Guarantor shall refrain from taking any action, either expressly or impliedly, which would have the effect of prohibiting or hindering the enforcement of this Guaranty Agreement.

11. This Guaranty Agreement and any dispute arising out of this Guaranty Agreement will be governed by the provisions of Section 19.C. of the Franchise Agreement (the Governing Law, Forum Selection, Waiver of Jury Trial Rights, Limitation of Claims, and Compliance), which is hereby incorporated in this Guaranty Agreement by reference, such that, for the purposes of this Guaranty Agreement, all references in Section 19.C. of the Franchise Agreement to (i) “Franchisee” will be replaced with “Guarantor”, and (ii) “Young Chefs” will be replaced with “YCA”.

12. This Guaranty Agreement does not create any fiduciary relationship, partnership, joint venture or any other form of joint enterprise. Guarantor shall not have any right or power to and shall not bind or obligate YCA in any way or manner, nor represent to have the right to do so.

13. If an action is commenced in connection with the enforcement of any provision of this Guaranty Agreement, Guarantor agrees to pay YCA reasonable costs and expenses, including attorney’s fees, if YCA prevails on most issues regarding this Guaranty Agreement.

14. This Guaranty Agreement may be executed in any number of counterparts and by Guarantor on separate counterparts, each of which, when so executed and delivered, shall be deemed an original and all of which taken together constitute but one and the same instrument.

THIS GUARANTY AGREEMENT is effective as of the __________ day of ____________, ______.

GUARANTOR:

____

[INSERT NAME OF INDIVIDUAL], Individually

EXHIBIT I

CONSENT TO TRANSFER AGREEMENT

This **CONSENT TO TRANSFER AGREEMENT** (this "**Consent**") is entered into as of __________, 20__ (the "**Effective Date**"), by and among YCA Franchising, Inc., a Texas corporation, having its principal place of business at 7728 Central Park Drive, Waco, TX 76712 ("**Franchisor**"), __________________, a ______________________ ("**Transferor**"), ____________________, an individual ("Transferor Guarantor"), ____________________, a _________________________("**Transferee**"), and _________________, an individual ("**Transferee Guarantor**"). Transferor, Transferor Guarantor, and their respective affiliates, employees, owners, officers, directors, successors, assigns, and other representatives and other related parties are collectively referred to as the "**Transferor Parties**." Transferee, Transferee Guarantor, and their respective affiliates, employees, owners, officers, directors, successors, assigns, and other representatives and other related parties are collectively referred to as the "**Transferee Parties**."

RECITALS

A. Franchisor and Transferor are parties to that certain Franchise Agreement dated __________ (the "**Original Agreement**"), pursuant to which Franchisor granted Transferor, and Transferor undertook, the right and license to own and operate a *Young Chefs Academy®* franchise located at _______________________________ (the "**Young Chefs Franchise**"). Transferor Guarantor personally guaranteed all obligations of Transferor under the Original Agreement (the "**Original Guaranty**").

B. Transferor has notified Franchisor that it wishes to transfer the Young Chefs Franchise to Transferee, including a transfer of substantially all the assets of the Young Chefs Franchise and a transfer of the lease to the premises of the Young Chefs Franchise (the "**Transfer**"), pursuant to the terms of that certain Asset Purchase Agreement dated _______________, in form and substance provided to Franchisor (the "**Purchase Agreement**").

AGREEMENT

FOR AND IN CONSIDERATION of the foregoing recitals, the covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. **Consent to Transfer and Waiver of Right of First Refusal**. Subject to the terms and conditions of this Consent, Franchisor hereby consents to the Transfer of the Young Chefs Franchise on the terms set forth in the Purchase Agreement and hereby waives its right of first refusal to acquire the assets of the Young Chefs Franchise on the basis of such Transfer under the Original Agreement. Any substantive change or amendment to, or waiver of, any provision of the Purchase Agreement prior to the Transfer will require Franchisor's separate prior written consent. In the event that any term or condition of this Consent is not met by the parties as of the date of the Transfer (the "Transfer Date"), including any representation or warranty that is not true as of the Effective Date or the Transfer Date, Franchisor's consent to the Transfer may be withdrawn, and any transfer that occurs thereafter, of any kind, including the Transfer, shall be deemed an unauthorized transfer under the terms of the Original Agreement.
2. **Termination of Original Agreement**. Upon consummation of the Transfer, the Original Agreement will automatically terminate effective as of the Transfer Date. After the Transfer Date, the provisions of the Original Agreement shall be of no further force or effect; provided, however, that nothing in this Consent will be deemed to terminate or release the Transferor Parties from any of the following obligations (together, the "**Surviving Obligations**"): (i) any obligations under the Original Agreement that, either expressly or by their nature, survive termination thereof (including, post-termination restrictive covenants, indemnification, dispute resolution, confidentiality provisions, and the obligation to cease using any proprietary trademarks); or (ii) any obligations under this Consent. The Original Guaranty shall remain in force and effect and shall serve as a guaranty of the Surviving Obligations, and Transferor Guarantor acknowledges and agrees that

Franchisor may seek any available remedies against him or her for the failure of any Transferor Party to comply with any Surviving Obligations.

3. **Representations and Warranties**. The Transferor Parties and the Transferee Parties each hereby, jointly and severally, represent and warrant to Franchisor as of the Effective Date and as of the Transfer Date that: (i) Transferor and Transferee are each a legal entity duly organized, validly existing and in good standing under the laws of their respective jurisdiction of organization; (ii) Transferor and Transferee each have all requisite power and authority to be bound by the terms hereof and to carry out and perform its obligations under this Consent, the Purchase Agreement, and in the case of Transferee, the New Agreement (as defined below); and (iii) the parties have provided Franchisor with a final executed and effective copy of the Purchase Agreement and no provision of the Purchase Agreement has been modified, amended, waived, or disclaimed in any manner by the parties thereto prior to the Effective Date.
4. **Conditions to Consent**. Franchisor's consent to the Transfer is conditioned on all of the following terms and conditions being met on or prior to the Transfer Date:
    a. The Transfer must occur no later than ____________, and if the Transfer shall not have occurred by such date, this Consent shall be deemed void, and Franchisor's consent to the Transfer shall be deemed withdrawn, and any transfer that occurs thereafter, of any kind, including the Transfer, shall be deemed an unauthorized transfer under the terms of the Original Agreement;
    b. All of Transferor Parties accrued monetary obligations and all other outstanding obligations to Franchisor and its affiliates and Transferee Parties' suppliers must be up to date, full paid and satisfied, including, without limitation, the transfer fees prescribed under the Franchise Agreement;
    c. All of the representations and warranties made in this Consent by the Transferor Parties and Transferee Parties must be true and correct as of the Transfer Date, and Transferor Parties and Transferee Parties must not have violated any provision of this Consent, the Original Agreement, the New Agreement or any other agreement between any such party and Franchisor or Franchisor's affiliates, or any suppliers or landlord of the Young Chefs Franchise, as applicable;
    d. Transferee Parties must have provided Franchisor all information or documents Franchisor requests to demonstrate to Franchisor's satisfaction that the Transferee Parties (i) meet Franchisor's then-current standards for a new franchisee, including educational, managerial, and business standards; (ii) possess a good moral character, business reputation, and credit rating; (iii) have the aptitude and ability to operate the Young Chefs Franchise; and (iv) have sufficient equity capital to operate the Young Chefs Franchise and comply with the terms of the Purchase Agreement;
    e. Transferee Parties must sign Franchisor's then-current form of franchise agreement for the remaining term, including execution of a guaranty of all obligations thereunder by the Transferee Guarantor, and all other ancillary documents required by Franchisor in connection with a new franchise agreement (together, the "**New Agreement**");
    f. Transferor Parties must update, remodel, refurbish, renovate, modify, or redesign the Young Chefs Franchise, at Transferor Parties' sole expense, to conform to Franchisor's then-current system standards, as defined under the New Agreement, or as otherwise as deemed necessary by Franchisor, and must complete such changes to the Young Chefs Franchise within 45 days of the Effective Date;
    g. Transferee Parties must comply with Franchisor's initial training requirements, and all other obligations applicable under its New Agreement to entering the Franchise System as a new franchisee;
    h. The landlord must allow Transferor to transfer, sublease or assign the lease agreement for the premises of the Young Chefs Franchise to the Transferee, and Transferee and the landlord must have executed a new lease rider in the form attached to the New Agreement; and
    i. The Transferor Parties and Transferee Parties must have provided Franchisor with all evidence requested to show that appropriate measures have been taken to affect the Transfer as it relates to the operation of the Young Chefs Franchise, including, by transferring all necessary and appropriate business licenses, insurance policies, and material agreements to the appropriate Transferee Parties, or obtaining new business licenses, insurance policies and material agreements.
5. **Terms of Purchase Agreement**. Notwithstanding the terms of the Purchase Agreement, the Transferor Parties and Transferee Parties hereby agree that the Transfer shall not transfer or purport to transfer any

assets, rights or interests reserved by, owned by or accruing to the benefit of Franchisor, including, without limitation: (i) any assets, rights or interests associated with the trademarks, trade dress, copyrights, goodwill, domain names, or other intellectual property used in connection with the Young Chefs Franchise; (ii) any customer lists, databases, website data, logins and passwords, or any other proprietary information used in connection with the Young Chefs Franchise; and (iii) any other assets, rights or interests reserved to Franchisor under the terms of the Original Agreement and/or New Agreement. All such assets, rights or interests of Franchisor are hereby expressly reserved by Franchisor, and the Transferor Parties and Transferee Parties hereby expressly waive and disclaim such assets, rights or interests in all respects.

6. **Further Assurances**. The Transferor Parties and Transferee Parties each covenant and agree, at their own expense, to execute and deliver, at Franchisor's request, such further instruments and to take such other action as Franchisor may request to more effectively consummate the Transfer, the effectiveness of the New Agreement, and the other terms and conditions contemplated by this Consent.
7. **Franchisor Release**. The Transferor Parties, jointly and severally, on behalf of themselves and the other Transferor Parties, hereby fully and forever unconditionally release and discharge Franchisor, and its affiliates, current and former parents, subsidiaries, franchisees, area representatives, owners, agents, insurers and their respective employees, officers, directors, successors, assigns, owners, guarantors and other representatives (the "**Franchisor Parties**"), of and from any and all claims, obligations, debts, proceedings, demands, causes of action, rights to terminate and rescind, liabilities, losses, damages, and rights of every kind and nature whatsoever, whether known or unknown, suspected or unsuspected, at law or in equity, which any of them has, had, or may have against any of the Franchisor Parties, from the beginning of time to the Effective Date, including, without limitation, any and all Claims in any way arising out of or relating to the Original Agreement or the relationship of the Transferor Parties with the Franchisor Parties.

If any member of the Transferor Parties and the Transferee Parties is domiciled or has his, her or its principal place of business in the State of California, that person or entity hereby waives all rights and benefits under Section 1542 of the California Civil Code, which provides: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

With respect to those claims being released hereunder, each of the parties acknowledges that he, she or it may hereafter discover claims or facts in addition to or different from those now known or believed to exist with respect to the subject matter of the claims being released hereunder, and which, if known or suspected at the time of entering into this Consent, may have materially affected this Consent. Nevertheless, each of the parties hereby waives any right, claim or cause of action that might arise as a result of such different or additional claims or facts. Each of the parties acknowledges and understands the significance and consequence of such release and such specific waiver of California Civil Code Section 1542.

8. **Future Assignments**. Franchisor's consent under this Consent will not be construed as its consent to any further assignments or transfers of the Original Agreement or New Agreement, the Young Chefs Franchise, or the membership or ownership interests of the Transferor Parties or Transferee Parties, or to the waiver of any future rights of first refusal Franchisor may have under the Original Agreement and/or New Agreement, as applicable. Any further transfers require Franchisor's prior written consent under the Original Agreement and/or New Agreement, as applicable.
9. **Role of Franchisor**. Transferor Parties and Transferee Parties each acknowledge and agree that they have negotiated the Transfer without involvement by Franchisor, that Franchisor has not affected or arranged the Transfer, and that Franchisor's only involvement in the transaction has been for the purpose of exercising its right of consent to the Transfer in accordance with the Original Agreement.
10. **Binding Effect**. This Consent inures to the benefit of Franchisor Parties and their respective successors and assigns and will be binding upon the parties and their respective successors, permitted assigns and legal representatives.

11. **Miscellaneous**. This Consent constitutes the entire understanding between the parties with respect to the matters it contemplates. This Consent will be construed and interpreted in accordance with the laws of the State of Texas, without regard to its conflicts of laws rules. Any dispute arising out of this Consent will be brought before courts in McLean County, Texas The captions and headings are only for convenience of reference, are not a part of this Consent, and will not limit or construe the provisions to which they apply. All references in this Consent to the singular usage will be construed to include the plural and the masculine and neuter usages to include the other and the feminine. This Consent may be executed in multiple copies, each of which will be deemed an original. This Consent may be executed electronically.

IN WITNESS HEREOF, the parties have executed and delivered this Consent to be effective as of the Effective Date.

FRANCHISOR

YCA FRANCHISING, INC.,
a Texas corporation

Sign: ______________________________________

Name: _____________________________________

Title: ______________________________________

TRANSFEROR

_____________________________________, a

____

Sign: _________________________________

Name: ________________________________

Title: _________________________________

TRANSFEREE

_____________________________________, a

____

Sign: _________________________________

Name: ________________________________

Title: _________________________________

TRANSFEROR GUARANTOR

____

Sign: _________________________________

TRANSFEREE GUARANTOR

____

Sign: _________________________________

EXHIBIT J

GENERAL RELEASE

This General Release (this "**Release**") is entered into, between **YCA FRANCHISING, INC**. ("**we**" or "**us**") and _______________, a/an ____________ with its principal business address at __________ ("**you**"). This Release shall take effect as on the date it is executed by Us (the "**Effective Date**").

BACKGROUND

A. You and we entered into the Franchise Agreement dated _______. The term "Franchise Agreement" includes all exhibits, addenda, amendments, subleases and attachments which give you the right to operate one *Young Chefs Academy*® franchise.

B. You have asked us to take the following action or to agree to the following request: [*insert as appropriate*]

____

____

____

____

We are willing to take the above action requested by you in consideration of you entering into this Release.

AGREEMENT

NOW IN CONSIDERATION OF THE AFORESAID and in exchange for valuable consideration, the receipt and sufficiency of which is hereby acknowledged the parties enter into this Agreement on the terms and conditions set forth herein.

1. You, on your own behalf and on behalf of your current and former parents, affiliates, and subsidiaries, and each such foregoing person's or entity's respective agents, spouses, heirs, principals, attorneys, owners, officers, directors, employees, representatives, predecessors, successors, and assigns (collectively, the "**Releasing Parties**"), hereby fully and forever unconditionally release and discharge us and our current and former parents, subsidiaries, and affiliates, and our and each such foregoing entity's respective current and former owners, officers, directors, employees, managers, agents, representatives, predecessors, successors, and assigns (collectively, the "**Franchisor Parties**") of and from any and all claims, damages, demands, causes of action, suits, duties, liabilities, and agreements of every kind and nature whatsoever (collectively, "**Claims**"), whether at law or in equity, and known or unknown, which any of the Releasing Parties had, has, or may have had, in any way arising out of or relating to any relationship or transaction with any of the Franchisor Parties, however characterized or described, from the beginning of time to the Effective Date, including, without limitation, any and all Claims in any way arising out of or relating to the Franchise Agreement, the relationship created by the Franchise Agreement, or the development, ownership, or operation of any and all of the *Young Chefs Academy*® franchise. You, on your own behalf and on behalf of the other Releasing Parties, further covenant not to sue any of the Franchisor Parties on any of the Claims released by this paragraph and represent that you have not assigned any of the Claims released by this paragraph to any individual or entity who is not bound by this paragraph.

2. Each of the Releasing Parties acknowledges that he, she or it is familiar with Section 1542 of the California Civil Code, which reads as follows:

   A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE

MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

With respect to those claims being released hereunder, each of the parties acknowledge that he, she or it is releasing unknown claims and waives all rights he, she or it has or may have under California Civil Code Section 1542 or any other statute or common law principle of similar effect. Each of the parties acknowledge that he, she or it may hereafter discover claims or facts in addition to or different from those now known or believed to exist with respect to the subject matter of the claims being released hereunder, and which, if known or suspected at the time of entering into this Release, may have materially affected this Release. Nevertheless, each of the parties hereby waives any right, claim or cause of action that might arise as a result of such different or additional claims or facts. Each of the parties acknowledges and understands the significance and consequence of such release and such specific waiver of California Civil Code Section 1542.

3. THIS RELEASE SHALL BE CONSTRUED UNDER THE LAWS OF THE STATE OF TEXAS, EXCEPT FOR ITS CONFLICT OF LAW RULES. ANY DISPUTES RELATING TO ITS ENFORCEMENT SHALL BE RESOLVED UNDER THE PROCEDURES ESTABLISHED IN THE FRANCHISE AGREEMENT, EACH OF WHICH ARE EXPRESSLY INCORPORATED HEREIN BY REFERENCE.

4. This Release contains the entire agreement between you and us relating to its subject matter. Neither we nor you are relying on any statements or representations other than those described in this Release and in the franchise disclosure document we provided to you. If any part of this Release is deemed to be unlawful or unenforceable, you and we intend that the rest of this Release will remain enforceable, to the extent permitted by law. All capitalized words not defined in this Release will have the same meaning as in the Franchise Agreement.

5. You acknowledge that you had the opportunity to consult with a lawyer about this Release.

IN WITNESS WHEREOF, the parties have duly executed this Release to be effective as of the Effective Date.

FRANCHISOR: YCA FRANCHISING, INC.

By: ____

Julie L. Burleson, Chief Executive Officer

Date: _________________________

(Effective Date of this Release)

FRANCHISEE: [_________________________________]

By: ____

Name/Title

Date: _________________________

EXHIBIT K

STATE SPECIFIC ADDENDA AND RIDERS

ADDITIONAL DISCLOSURES FOR THE
FRANCHISE DISCLOSURE DOCUMENT OF
YCA FRANCHISING, INC.

ILLINOIS ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Illinois Franchise Disclosure Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Illinois law governs the Franchise Agreement.

2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement 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 of Illinois.

3. The conditions under which your Franchise Agreement can be terminated and your rights upon nonrenewal may be affected by Sections 19 and 20 of the Illinois Franchise Disclosure Act.

4. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision of the Franchise Agreement purporting to bind you to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of the State of Illinois is void.

5. Items 5 and 7 are modified to also provide that we defer collection of all initial fees until we have satisfied our pre-opening obligations to you and you have commenced doing business under the Franchise Agreement. The Illinois Attorney General’s Office imposed this deferral requirement due to our financial condition.

NEW YORK ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the New York franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

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

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE 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 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 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.

ILLINOIS ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. Illinois law governs the Franchise Agreement.

2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement 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 of Illinois.

3. Franchisee rights upon termination and non-renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

4. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

5. The Franchise Agreement is modified to also provide that we defer collection of all initial fees until we have satisfied our pre-opening obligations to you and you have commenced doing business under the Franchise Agreement. The Illinois Attorney General's Office imposed this deferral requirement due to our financial condition.

FRANCHISEE:	FRANCHISOR: YCA Franchising, Inc.
By:__________________________	By:__________________________ Julie Burleson, CEO
By:__________________________	Date:_________________________

EXHIBIT L

REPRESENTATIONS AND ACKNOWLEDGEMENT STATEMENT

REPRESENTATIONS AND ACKNOWLEDGMENT STATEMENT

The purpose of this Statement is to demonstrate to YCA Franchising, Inc. ("Franchisor") that the person(s) signing below ("I," "me" or "my"), whether acting individually or on behalf of any legal entity established to acquire the franchise rights, (a) fully understands that the purchase of a Young Chefs Academy® franchise is a significant long-term commitment, complete with its associated risks, and (b) is not relying on any statements, representations, promises or assurances that are not specifically set forth in Franchisor's Franchise Disclosure Document and Exhibits (collectively, the "FDD") in deciding to purchase the franchise.

In that regard, I represent to Franchisor and acknowledge that:

I understand that buying a franchise is not a guarantee of success. Purchasing or establishing any business is risky, and the success or failure of the franchise is subject to many variables, over which Franchisor has no control, such as my skills and abilities (and those of my partners, officers, employees), the time my associates and I devote to the business, competition, interest rates, the economy, inflation, operation costs, location, lease terms, the marketplace generally and other economic and business factors. I am aware of and am willing to undertake these business risks. I understand that the success or failure of my business will depend primarily upon my efforts and not those of Franchisor.	INITIAL: ___________
I received a copy of the FDD, including the Franchise Agreement, at least 14 calendar days (10 business days in Michigan) before I executed the Franchise Agreement. I understand that all of my rights and responsibilities and those of Franchisor in connection with the franchise are set forth in these documents and only in these documents. I acknowledge that I have had the opportunity to personally and carefully review these documents and have, in fact, done so. I have been advised to have professionals (such as lawyers and accountants) review the documents for me and to have them help me understand these documents. I have also been advised to consult with other franchisees regarding the risks associated with the purchase of the franchise.	INITIAL: ___________
Has the Franchisor or any of its officers, employees or agents (including any franchise broker) made a statement, promise or assurance to me concerning any matter related to the franchise (including those regarding advertising, marketing, training, support service or assistance provided by Franchisor) that is contrary to, or different from, the information contained in the FDD? ☐ Yes ☐ No (Initial Here: ____) If you selected "Yes," please describe the statement, promise or assurance on the lines below: ____ ____	INITIAL: ___________
Has your decision to purchase the franchise been influenced by any oral representations, assurances, warranties, guarantees or promises whatsoever made by the Franchisor or any of its officers, employees or agents (including any franchise broker), including as to the likelihood of success of the franchise? ☐ Yes ☐ No (Initial Here: ____) If you selected "Yes," please describe the representations or promises made on the lines below: ____ ____	INITIAL: ___________

I have made my own independent determination as to whether I have the capital necessary to fund the business and my living expenses, particularly during the start-up phase.	INITIAL: __________
SPECIAL REPRESENTATION REGARDING RECEIPT OF FINANCIAL INFORMATION PLEASE READ THE FOLLOWING QUESTION CAREFULLY. THEN SELECT YES OR NO AND PLACE YOUR INITIALS WHERE INDICATED. Have you received any information from the Franchisor or any of its officers, employees or agents (including any franchise broker) concerning actual, average, projected or forecasted sales, revenues, income, profits or earnings of the franchise business (including any statement, promise or assurance concerning the likelihood of success) other than information contained in the FDD? ☐ Yes ☐ No (Initial Here: ____) If you selected "Yes," please describe the information you received on the lines below: ____ ____	INITIAL: __________

Prohibited Parties Clause. I acknowledge that Franchisor, its employees and its agents are subject to U.S. laws that prohibit or restrict (a) transactions with certain parties, and (b) the conduct of transactions involving certain foreign parties. These laws include, without limitation, U.S. Executive Order 13224, the U.S. Foreign Corrupt Practices Act, the Bank Secrecy Act, the International Money Laundering Abatement and Anti-terrorism Financing Act, the Export Administration Act, the Arms Export Control Act, the U.S. Patriot Act, and the International Economic Emergency Powers Act, and the regulations issued pursuant to these and other U.S. laws. As part of the express consideration for the purchase of the franchise, I represent that neither I nor any of my employees, agents, or representatives, nor any other person or entity associated with me, is now, or has been listed on:

1. the U.S. Treasury Department's List of Specially Designated Nationals;
2. the U.S. Commerce Department's Denied Persons List, Unverified List, Entity List, or General Orders;
3. the U.S. State Department's Debarred List or Nonproliferation Sanctions; or
4. the Annex to U.S. Executive Order 13224.

I warrant that neither I nor any of my employees, agents, or representatives, nor any other person or entity associated with me, is now, or has been: (i) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or (ii) is owned or controlled by terrorists or sponsors of terrorism. I warrant that I am now, and have been, in compliance with U.S. anti-money laundering and counterterrorism financing laws and regulations, and that any funds provided by me to Franchisor were legally obtained in compliance with these laws.

I further covenant that neither I nor any of my employees, agents, or representatives, nor any other person or entity associated with me, will, during the term of the Franchise Agreement, become a person or entity described above or otherwise become a target of any anti-terrorism law.

If the Young Chefs Academy® franchise that you will purchase is located in Maryland or if you are a resident of Maryland, the following shall apply:

The representations made in this Representations and Acknowledgment Statement are not intended to, nor shall they, act as a release, estoppel, or waiver of any liability under the Maryland Franchise Registration and Disclosure Law.

FRANCHISEE:

Sign here if you are taking the franchise as an **INDIVIDUAL(S)**
(Note: use these blocks if you are an individual or a partnership but the partnership is not a separate legal entity)

____
Signature

Print Name:________________________________

Date: ____________________________________

____
Signature

Print Name: _______________________________

Date: ____________________________________

____
Signature

Print Name: _______________________________

Date: ____________________________________

____
Signature

Print Name: _______________________________

Date: ____________________________________

Sign here if you are taking the franchise as a **CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP**

____
Print Name of Legal Entity

____
Signature

Print Name: _______________________________

Title: ____________________________________

Date: ____________________________________

EXHIBIT M
STATE EFFECTIVE DATES

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

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	**Effective Date**
Illinois	Pending
Michigan	September 9, 2021
New York	Pending
Virginia	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT N
RECEIPTS
(OUR COPY)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If YCA Franchising, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, YCA Franchising, Inc. or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Under Iowa law, we must give you this disclosure document at the earlier of our 1st personal meeting or 14 calendar days before you sign an agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. Under Michigan law, we must give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If YCA Franchising, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The franchisor is YCA Franchising, Inc., 7728 Central Park Drive, Waco, Texas 76712. Tel: 254-751-1040. The franchise seller for this offering is:

.	☐ Michael Barnett 2417 Liesfeld Pkwy Glen Allen, VA 23060 804-814-4908	☐ Name of Franchise Seller: ________________________ Principal Business Address: ________________________ ________________________ Telephone No: ___________

Issuance Date: April 21, 2022 (The effective dates in the franchise registration states are noted on the page immediately preceding the Receipts cover page.)

See Exhibit A for YCA Franchising, Inc.'s registered agents authorized to receive service of process.

I have received a disclosure document dated April 21, 2022, that included the following Exhibits:

Exhibit "A" - State Administrators/Agents for Service of Process
Exhibit "B" - Franchise Agreement
Exhibit "C" - Table of Contents of Operating Manual
Exhibit “D” - List of Current Franchise Locations
Exhibit "E" - List of Former Franchisees That Left the System
Exhibit "F" - Financial Statements
Exhibit "G" - Bank Authorization Form
Exhibit “H” - Personal Guaranty
Exhibit "I" - Consent to Transfer
Exhibit "J" - General Release
Exhibit “K” - State Specific Addenda
Exhibit "L" - Representations and Acknowledgment Statement
Exhibit "M" – State Effective Dates
Exhibit "N" - Receipts

________________ Date	______________________________ Signature	____________________________ Printed Name
________________ Date	______________________________ Signature	____________________________ Printed Name

Please sign this copy of the receipt, print the date on which you received this disclosure document, and return it, by mail or email, to YCA Franchising, Inc., 7728 Central Park Drive, Waco, Texas 76712. Phone: 254-751-1040, Facsimile: corporate@youngchefsacademy.com

RECEIPT
(YOUR COPY)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If YCA Franchising, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, YCA Franchising, Inc. or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Under Iowa law, we must give you this disclosure document at the earlier of our 1st personal meeting or 14 calendar days before you sign an agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. Under Michigan law, we must give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If YCA Franchising, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The franchisor is YCA Franchising, Inc., 7728 Central Park Drive, Waco, Texas 76712. Tel: 254-751-1040. The franchise seller for this offering is:

☐ Michael Barnett 2417 Liesfeld Pkwy Glen Allen, VA 23060 804-814-4908	☐ Name of Franchise Seller: ________________________ Principal Business Address: ________________________ ________________________ Telephone No: ___________

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________________	______________________________	____________________________
Date	Signature	Printed Name
________________	______________________________	____________________________
Date	Signature	Printed Name

PLEASE SIGN THIS COPY OF THE RECEIPT, PRINT THE DATE ON WHICH YOU RECEIVED THIS DISCLOSURE DOCUMENT AND KEEP IT FOR YOUR RECORDS.