

FRANCHISE DISCLOSURE DOCUMENT



AUNTEA JENNY BRAND MANAGEMENT LLC
a Delaware Limited Liability Company
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We offer you a franchise to operate an Auntea Jenny fast casual tea shop selling a variety of freshly made and unique teas, including fruit and milk teas with grain toppings, and other beverages and menu items. Our shops offer on-premises seating, carryout, catering and delivery.

The total initial investment necessary to develop a franchised Auntea Jenny shop under a franchise agreement is \$285,000 to \$596,000. This includes \$151,000 to \$224,000 that must be paid to the franchisor or its affiliates.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **NOTE, HOWEVER, THAT NO GOVERNMENTAL AGENCY HAS VERIFIED THE INFORMATION CONTAINED IN THIS DOCUMENT.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Mr. Shan Weijun, Auntea Jenny Brand Management LLC, 4695 Chabot Dr, Suite 200, Rm 220, Pleasanton, CA 94588, phone 949-867-1611.

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

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

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

Issuance date: August 15, 2025

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit B.
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 D 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 Auntea Jenny shop 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 an Auntea Jenny franchisee?	Item 20 or Exhibit B 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 risks be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by litigation only in California. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost more to litigate with the franchisor in California than in your own state.
2. **Spousal Liability.** At the franchisor's request, your spouse must sign a document making your spouse liable for all financial obligations under the franchise agreement even if your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
3. **Financial Condition.** The Franchisor's financial condition as reflected in its financial statements (see Item 21) calls into question the Franchisor's financial ability to provide services and support to you.
4. **Short Operating History.** The Franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
5. **Inventory/Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

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

AUNTEA JENNY
FRANCHISE DISCLOSURE DOCUMENT

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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” or “us” means Auntea Jenny Brand Management LLC, the franchisor. “You” means the buyer of the franchise, and it may refer to the owner or owners of the buyer entity. We do business under the name Auntea Jenny. We are a Delaware limited liability company formed January 9, 2025. Our principal business address is 4695 Chabot Dr Ste 200, Rm 220, Pleasanton, CA 94588.

Our agents for service of process are listed in Exhibit A of this disclosure document.

The Franchise

Auntea Jenny fast casual tea shops offer a variety of freshly-made and unique teas, including fruit and milk teas with grain toppings, and other beverages and menu items. Our shops offer on-premises seating, carryout, catering and delivery. You choose the location for your Auntea Jenny shop, and this location is subject to our approval.

The terms of the franchise are contained in our franchise agreement, which is attached to this disclosure document as Exhibit F2. The franchise agreement gives you the right to operate a single Auntea Jenny shop.

The Auntea Jenny business began in 2013 with the opening of the first Auntea Jenny shop in Shanghai, China. Today, there are more than 9,000 franchised and company-owned Auntea Jenny shops throughout much of China, and more than 30 shops in Malaysia.

The first Auntea Jenny shop in the U.S. is a franchised shop. It opened in Flushing, Queens, New York, in May 2025.

Our Parents, Predecessors and Affiliates

Our parent company is Auntea Jenny Inc., a Delaware corporation formed December 5, 2024, which also has its business address at 4695 Chabot Dr Ste 200, Rm 220, Pleasanton, CA 94588.

Auntea Jenny Inc. is a wholly-owned subsidiary of Auntea Jenny (Singapore) PTE. Ltd., which was formed November 22, 2024. Its offices are located at 7500A Beach Road #04-307, The Plaza, Singapore 199591.

The parent company of Auntea Jenny (Singapore) PTE. Ltd. is Auntea Jenny (Shanghai) Industrial Co. Ltd, a Chinese limited company located at Number 440, Hailun Road, Shanghai, China. Auntea Jenny (Shanghai) Industrial Co. Ltd. made an initial public offering on the Hong Kong stock exchange May 8, 2025. At the time of the offering, the company had more than 9,000 franchised and company-owned Auntea Jenny shops throughout much of China.

Our affiliate, Auntea Jenny Supply Chain LLC, sells the raw ingredients and a range of other supplies to our franchisees and company owned locations. Auntea Jenny Supply Chain LLC is a Delaware limited liability company formed January 9, 2025. Its principal business address is 4695 Chabot Dr Ste 200, Rm 220, Pleasanton, CA 94588.

We do not yet have any company-owned shops in the U.S., but we do plan to open company shops through affiliates that will also be owned directly or indirectly by our direct parent company, Auntea Jenny Inc.

No other affiliate of ours offers franchises in any line of business in the U.S. or provides products or services to our franchisees in the U.S.

We do not have any predecessors.

The Market

The U.S. market for market for freshly made tea beverages and related products for consumption both on and off premises is well established and highly competitive. A relatively large part of that market is the Asian American community.

The market for Auntea Jenny's products and services is not seasonal. Auntea Jenny shops are open for business all year round.

The Competition

We have many competitors who serve the Asian-American community and our wider customer base. Some are national and international companies. Others are small companies, often with just one location, serving their local community.

Other competitors include U.S. style chains that offer teas and coffees, including Asian chai and other teas. Indirect competitors include donut shops, coffee shops and restaurants.

Laws and Regulations

You must comply with all federal, state and local laws and regulations protecting the health, safety and welfare of the employees and customers of a food service business, such as laws and regulations governing food preparation, handling and service, and sanitary conditions; and laws and regulations governing the public posting of nutritional information; restrictions on smoking; and fire safety. You should investigate the application of these laws further.

Item 2

BUSINESS EXPERIENCE

Shan Weijun – Chief Executive Officer

Shan Weijun is the co-founder (together with his wife, Zhou Rongrong) of the Auntea Jenny business in China and has been the Chief Executive Officer of Auntea Jenny (Shanghai) Industrial Co. Ltd. since that company was formed in 2013. Mr. Weijun is also the Chief Executive Officer of our company, a position he has held since our company was formed in January 2025, and he is and has been an officer of other companies in the group of Auntea Jenny companies. He is primarily responsible for brand strategy, major development plans and the implementation of the values implementation of all companies in the Auntea Jenny group. He works in Shanghai, China.

Jian (Jay) Zhao – Director of Franchise Sales – West Coast

Jian (Jay) Zhao is our Director of Franchise Sales – West Coast, a position he has held since our company was formed in January 2025. Mr. Zhao is also the co-founder of GUI Restaurant & Bar Group and has been that company's manager since 2016. In addition, he founded GoGoSonic, a convenience store digital platform that revolutionizes instant delivery services, and has been that company's Manager since 2020. He works in Pleasanton, California.

Hongxun (Chuck) Liu – Director of Franchise Sales – East Coast

Hongxun (Chuck) Liu is also our Director of Franchise Sales – East Coast, a position he has held since our company was formed in January 2025. Mr. Liu is also the founder, co-owner and manager of Chakra Japanese Fusion Restaurant in Queens, NY, where he is and has been a Manager since the company was formed in October 2020. From June through October 2023, he was co-owner of Cauldron Chicken, a fast-casual restaurant in New York, NY. From December 2023 until May 2024, Mr. Liu was co-owner of Doki Doki Tea & Ramen in Long Island, NY. From October 2024 until April 2025, he was a co-owner of Hana & Rosa Mexican Restaurant in Long Island, NY. Since early 2020, Mr. Liu has been a licensed real estate salesperson in New York, NY. He works in New York, NY.

Item 3

LITIGATION

No litigation is required to be disclosed in this item.

Item 4

BANKRUPTCY

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

Item 5

INITIAL FEES

Initial Franchise Fee

The initial franchise fee for an Auntea Jenny franchise is \$20,000, which we plan to increase to \$70,000 after December 31, 2026. You pay the initial franchise fee in one lump sum when you sign the franchise agreement, less any deposit that you may have paid to us. The initial franchise fee is not refundable under any circumstances.

Before we enter into a franchise agreement with you, but after 14 days (and at least 10 business days) have passed from the date you receive this franchise disclosure document, and in order to conduct further evaluation of your qualifications to become one of our franchisees, we may ask you to enter into a franchise deposit agreement. We generally ask you to sign a franchise deposit agreement if you have not yet identified a site but you want to know that we will give you priority to become a franchisee in a geographic area that interests you. If you sign franchise deposit agreement with us, you will submit to us a \$15,000 deposit which we will credit against your initial franchise fee when you sign the franchise agreement. The deposit is refundable if you do not sign the franchise agreement. The franchise deposit agreement does not confer upon you any franchise rights.

Security Deposit

When you sign the Auntea Jenny franchise agreement, you must pay us a security deposit of \$15,000 in addition to the fees described above. If you default in your performance under the franchise agreement or any other agreement between you and us or any of our affiliates, we may use the security deposit to cure the default or to compensate us for all damages or expenses we incur as a result of your default. We may also use the security deposit to pay any late charges, interest, penalties, and fees and any costs and charges due to us for our performing obligations that you do not perform and that we perform on your behalf. If monies you owe to us become due on or after termination or expiration of the franchise agreement for any reason, we may use all or any part of the security deposit to pay those sums. If we use any part of the security deposit before the franchise agreement expires, you will be required to restore the \$15,000 balance. If you are not in default under the franchise agreement or any other agreement with us or any of our affiliates on the date the franchise agreement expires or is terminated for any reason, we will return the remaining balance of the security deposit to you within 30 days after the expiration or termination date.

Training Fee

When you sign the franchise agreement, you will pay us \$6,000 to cover our costs of an initial - eight day training program for your managing owner, your operating manager and your store staff.

Design Fee and Engineering Supervision

When you sign the franchise agreement, you will also pay us \$4,000 for our design assistance and \$3,000 for our engineering supervision. These fees cover the plan layout for your store, space renderings, material details on the rendering, water and electricity location map, dimensional and structural diagrams of furniture that will be constructed on the site of your franchised shop.

IT System

You must purchase your IT system from us or our affiliate. The cost will be between \$5,000 and \$6,000. \$5,000 covers one POS system which includes one customer payment device. \$6,000 is for two POS systems including two POS devices. Payment is due when you place your order.

Furniture, Fixtures, Uniforms, Equipment, Supplies and Opening Inventory

You must also purchase furniture, fixtures and uniforms from us or our affiliate. The cost will be between \$30,000 and \$80,000.

In addition, you must purchase certain equipment, supplies and your opening inventory from us or our affiliate. We estimate that your initial purchase of equipment from us or our affiliate will range from \$50,000 to \$60,000 and that your purchase of initial inventory from us or our affiliate will range from \$18,000 to \$30,000.

Of the fees described above, only the \$15,000 deposit fee and the \$15,000 security deposit are refundable in certain cases, as explained above. None of the other payments described above are refundable.

The initial fees described above are uniform for all Auntea Jenny franchisees.

Item 6
OTHER FEES

Franchise Agreement

Type of Fee	Amount	Date Due	Remarks
Royalty	1% of Gross Sales (to be increased to 6% after December 31, 2026)	Monthly with respect to Gross Sales in the prior month	"Gross Sales" includes all sales made in the franchised business, whether collected or not, but does not include sales tax.
Technology fee*	Currently none, but we may impose a fee of up to \$4,500 per year plus any third party costs to us	Annually	This fee covers the annual subscription cost for the IT system used in your store, including the POS software and related services required for store operations.
Inventory of tea, packaging materials, cups and other items for resale	\$18,000 to \$30,000 per month, depending on sales volume	Upon delivery, as needed	We will provide a list of required purchases from us or our affiliate.
Marketing fee	Currently none, but we may impose a marketing fee of up to 2% of Gross Sales	Monthly	This fee would subsidize a marketing fund that we may initiate.
Relocation Fee*	\$5,000 plus our expenses	When billed, before relocation	Any relocation is subject to our prior approval.
Insurance	Our actual costs of the premium for the period of coverage plus a 25% service charge	When billed	Payable if you fail to carry required insurance and we decide to purchase it for you (although we are not obligated to do so).
Field assistance or additional training*	\$180 per day plus expenses	When billed	We only charge for field assistance or additional or remedial training (i) that you request and is not mandatory or (ii) that we require because your personnel are not meeting our standards

Type of Fee	Amount	Date Due	Remarks
Conference fee	An amount sufficient to cover the costs of conferences		If we hold annual or other conferences for franchisees, we may charge this fee. You will cover the costs and expenses of your personnel who attend.
Remedial work	Our actual costs and a 25% service charge on labor and materials	When billed	If you fail to correct an unhealthy or unsafe condition after we notify you, we may complete the required work on your behalf and bill you.
Audit or inspection	Our costs, including legal and accounting fees and travel expenses and per diem charges	When billed	Payable if the audit is made necessary by your failure to furnish required information or if our inspection shows an understatement of 2% or more for the period of the audit.
Re-training upon transfer*	\$5,000	At the time the transfer is consummated	We provide a training course for the buyer of your business.
Management Fee	3% to 5% of Gross Sales	When billed	If on the death or disability of a controlling owner of your business the business is not being managed properly we may appoint a manager until you appoint a trained replacement manager.
Renewal Fee	50% of the then-current initial fee, prorated if you elect to renew for a shorter period than the full term	Before the initial term expires	You must notify us of your desire to renew the agreement 12 to 18 months before the end of its term.
Unauthorized product or service fee*	\$300 per day of use of unauthorized products or services	If and when incurred	Payable in addition to other remedies available to us. Cure must be immediate upon oral or written notification.
Costs and expenses to resolve customer complaints	Our reasonable costs and expenses	When billed	We may intervene to protect the brand or if we believe you have not adequately addressed or resolved any customer complaints.

Type of Fee	Amount	Date Due	Remarks
Returned check/EFT fee*	\$50 for each NSF or EFT returned	As incurred	This amount is in addition to the late payment fee and interest, plus past due amounts.
Interest	The lesser of 1.5% per month but not more than the highest rate allowed by law	On demand	Applies to all past due amounts, including the monthly balance of principal and interest. If no due date is stated, interest begins to run 10 days after billing.
Attorneys' fees and costs	Our actual costs	As incurred	Payable if we incur costs in obtaining injunctive relief or otherwise enforcing of any term of the franchise agreement because of your default under the agreement.
Indemnification	Our actual costs	As incurred	You must reimburse us and our members, affiliates, employees and successors for claims against us involving your business operations, including reasonable attorneys' fees.
Liquidated damages	Your average monthly royalties for the 24 months before termination multiplied by 36 or the shorter number of months remaining until the agreement expires	Within 30 days of termination	Payable if you terminate the franchise agreement before it expires or if we terminate it on the basis of your material breach.

*We may increase the fees stated as dollar amounts from time to time to amounts that do not exceed the percentage increase in the Metropolitan Area Consumer Price Index for All Urban Consumers from the date of the franchise agreement, as published by the U.S. Department of Labor, or a successor index.

General

All fees described in this Item 6 are imposed by and payable to us and are non-refundable.

We impose all fees described in this Item 6 uniformly for all franchisees. We have no intention to reduce any of these fees for any prospective franchisee, although we reserve the right to do so in our sole discretion on a case-by-case basis.

Item 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Franchise Agreement Estimated Initial Investment

<i>Type of Expenditure</i>	<i>Amount</i>		<i>Method of Payment</i>	<i>When Due</i>	<i>To Whom Payment is to be Made</i>
	<i>Low</i>	<i>High</i>			
Initial franchise fee (Note 1)	\$20,000	\$20,000	Lump sum	When you sign the franchise agreement	Us
Security Deposit	\$15,000	\$15,000	Lump sum	When you sign the franchise agreement	Us
Initial Training Fee	\$6,000	\$6,000	Lump sum	Before your initial training begins	Us
Design Fee	\$4,000	\$4,000	Lump sum	In advance, as incurred	Us
Engineering Supervision Fee	\$3,000	\$3,000	Lump sum	In advance, as incurred	Us
IT System (Note 2)	\$5,000	\$6,000	Lump Sum	In advance, as incurred	Us
Equipment	\$50,000	\$60,000	Lump Sum	In advance, as incurred	Us or our affiliate
Initial inventory from us	\$18,000	\$30,000	Lump Sum	In advance, as incurred	Us or our affiliate

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Initial inventory from the local market	2,000	\$3,000	As arranged	As incurred	Sellers near your franchised shop
Furniture, fixtures and uniform	\$30,000	\$80,000	Lump Sum	In advance, as incurred	Us or our affiliate
Leasehold improvements (Note 3)	\$50,000	\$180,000	As arranged	As incurred	Contractors, suppliers and landlord
Prepaid rent and security deposit (Note 4)	\$30,000	\$120,000	As arranged	As incurred	Landlord
Grand opening advertising (Note 5)	\$10,000	\$10,000	As arranged	As incurred	Approved suppliers or other independent suppliers
Insurance – liability and workers compensation – initial deposit (Note 6)	\$7,000	\$13,000	As agreed	As incurred	Independent carrier
Legal and accounting fees	\$5,000	\$6,000		As incurred	Attorneys and accountants
Additional funds (Note 8)	\$30,000	\$40,000	As arranged	As incurred	Employees, suppliers, landlord, utility suppliers
Total (Note 9)	\$285,000	\$596,000			

Note 1: The initial fee is not refundable. We do not finance any portion of your initial fees.

Note 2: See Item 11 for information concerning the required computer, software and point of sale systems.

Note 3: The cost of leasehold improvements will vary as a function of (i) the size and configuration of the premises; (ii) pre-construction costs (e.g., demolition of existing walls and removal of existing improvements and fixtures) based on the condition of the premises; (iii) the availability and prices of materials; (iv) prices of labor and price differences among contractors; and (v) geography and the location of the premises.

Note 4: The actual amount you pay under the lease will vary depending on your ability to negotiate with the landlord and the prevailing rental rates in the geographic area of the shop. The recommended size of an Auntea Jenny shop is between 400 and 2,000 square feet.

Note 5: You must submit your grand opening marketing plan to us for our pre-approval.

Note 6: See Item 8 for a description of the types of insurance you must maintain.

Note 7: This is an estimate of the minimum levels of additional funds that you may need to cover operating expenses such as employee salaries, inventory, rent, and utilities only for the initial three month period following the opening of your shop. This estimate does not include compensation to you or your owners and does not include interest, finance charges, or payments that you may incur if you finance the development of your Auntea Jenny franchised business.

Note 8. These figures are estimates. We cannot assure you that you will not have additional expenses in starting the franchised business. These amounts do not include any estimates for debt service.

General

We have prepared these estimates based on our experience and that of our management team. You should not plan to draw income from the operation during the start-up and development stage of your business, the actual duration of which will vary materially from one shop to another. You must have additional sums available, whether in cash or through a bank line of credit, or have other assets that you may liquidate or borrow against, to cover other expenses and any operating losses you may sustain, whether during your start-up and development stage or beyond. The amount of necessary reserves will vary greatly from franchisee to franchisee and will depend upon many factors, including the rate of growth and success of your business, if any.

Because the costs and the level of reserves will vary from location to location, we strongly recommend that you retain the services of an experienced accountant or financial advisor to review these figures and to develop a business plan and financial projections for your particular business before you decide whether to purchase the franchise. We also recommend that you (a) obtain independent estimates from third-party vendors, (b) research applicable regulations and their impact on your costs and operations and (c) carefully evaluate the adequacy of your total financial resources and reserves.

No Financing

We do not offer any financing to you, either directly or indirectly. We are unable to estimate whether you will be able to obtain financing for any or all of your investment and, if so, the terms of such financing. Neither we nor any affiliate receives payment for the placing of financing. We do not guarantee or co-sign your notes, leases or any other obligations.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases

You must purchase most of your equipment and supplies from our affiliate, Auntea Jenny Supply Chain LLC, as described in Item 5. Auntea Jenny Supply Chain LLC supplies to you all of the tea and flavoring ingredients, as well as packaging materials, cups, menu boards, signs and other logoed merchandise as well as the equipment, furniture, fixtures and uniforms that you will use in the franchised business. You must buy a reasonable variety of these products to meet the demands of your customers. You may not purchase these items from any other supplier.

Because this is our first franchise offering in the U.S., we did not sell anything to franchisees in 2024 and we have no 2024 sales numbers to report.

You may only use those products, supplies, equipment, technology systems, and services that we authorize and designate in writing. To ensure that our standards and specifications of quality, service and system development are maintained, you must operate your shop in strict conformity with the franchise agreement and the methods, standards, specifications and sources of supply that we designate and prescribe in the manuals.

We estimate that approximately 40% to 50% of your expenditures for leases and purchases in establishing your Auntea Jenny shop and 90% to 95% of your expenditures in operating the shop on an ongoing basis will be for goods and services that are subject to sourcing restrictions, meaning goods and services that must be from a designated or approved supplier or otherwise meet our standards or specifications.

You may not install on or about your Auntea Jenny shop any fixtures, furnishings, equipment, decor items, signs or other items without our written consent or that do not meet our standards and specifications.

We will provide you with our manuals, style guides and various supplemental bulletins and notices that will contain the specifications, standards and restrictions on your purchase of products and services, and a list of designated and approved suppliers.

None of our officers own an interest in any supplier other than our affiliate Auntea Jenny Supply Chain LLC.

Rebates and Discounts

We may derive revenue in the form of commissions or rebates that third party suppliers pay to us based on their sales of certain products to you. Rebates will not increase the price you pay for the products you purchase. We may use the rebates to subsidize some of our operating costs. We have not yet received any rebates from any supplier. We do not yet know the amount of any rebate we may receive in the future.

We may receive discounts on equipment and other items, which we are not obligated to pass on to you. We may negotiate purchase agreements with suppliers for the benefit of franchisees, but we are under no obligation to do so.

Approval Process

If you wish to use any item or supplier we have not previously designated or approved, you must submit to us a written request for such approval, or request the supplier to do so. We will give such approval only if, in our sole discretion, we determine that such item and supplier meet all of our standards and specifications. We have the right to require that our representatives be permitted to inspect the suppliers' facilities and that specifications, photographs and samples from the supplier be delivered, at our option, either to us or to an independent laboratory designated by us for testing. You will bear the cost of such testing but we do not charge a fee for our own testing or for supplier or product approval. We will endeavor to begin an investigation of the proposed supplier or product within 30 days of your request. We will notify you within 10 days after we complete our investigation whether we approve the proposed supplier or product.

We reserve the right to re-inspect the facilities and products of any approved supplier and to revoke our approval if the supplier fails to continue to meet any of our then-current criteria and specifications. Our supplier approval procedure does not obligate us to approve any particular supplier. We do not make our criteria for approving suppliers available to franchisees.

Computer Equipment

You must purchase computers with internet access and all of the software and hardware we require. See Item 11 for information concerning the required computer, software and point of sale systems

Lease

You must submit to us for our approval a copy of the proposed lease for your franchised shop before it is signed. We will not approve the lease unless it permits your interest in the lease to be assigned to us or our assignee if the franchise agreement terminates or expires.

Insurance

You must obtain and maintain insurance policies protecting you, us and our affiliates as additional insureds on a primary non-contributory basis to the general liability policy and the auto liability policy. The additional insureds should be listed on the certificate as follows: Auntea Jenny Brand Management LLC and Auntea Jenny Supply Chain LLC and their officers, members, subsidiaries and affiliates, agents, employees, successors and assigns. It must be provided on an Additional Insured Grantor of Franchise Endorsement form CG2029 or an endorsement form with comparable wording acceptable to us.

The insurance must be underwritten by insurers licensed and admitted to write coverage in the state in which the franchised shop is located and with a rating of "A" or better. These policies must include the coverage we require, which currently includes: (a) "all risk" or "special" property insurance covering all real and personal property and equipment on a replacement costs basis, including business interruption and extra expense insurance on an actual loss sustained basis; (b) comprehensive general liability insurance, including products and completed operations in an amount of not less than the following combined single limits: \$2,000,000 per occurrence, \$2,000,000 personal and advertising injury, \$2,000,000 completed operations/ products aggregate, \$2,000,000 aggregate per location; (c) employment practices liability coverage with a limit of \$100,000 per occurrence and in the aggregate; (d) automobile liability coverage, including coverage of owned, non-owned rented or hired vehicles with coverage in amounts not less than \$1,000,000 combined single limit; and (e) workers' compensation insurance for statutory limits and employer's liability insurance in an amount not less than \$1,000,000. You and your insurers must agree to waive rights of subrogation against us. At least 10 days before you are required to carry insurance, and

after that at least 30 days before the expiration of any policy, you must deliver to us certificates of insurance evidencing the proper types and minimum amounts of required coverage, and evidence of the waiver.

If you fail to maintain the required insurance, we or our designee may obtain the insurance for you and charge you for the premium costs plus a 25% service charge for acquiring the insurance. Each year we may unilaterally modify the insurance minimum coverage requirements which may include an increase to the minimum coverage requirements to reflect changes in inflation or as market conditions warrant.

Purchase Agreements and Cooperatives

There are no purchasing or distribution cooperatives as of the date of this disclosure document. We may establish national or regional purchasing or distribution programs for the purchase or distribution of certain goods, materials or supplies at reduced prices. If a purchasing or distribution program is established for the region where your Auntea Jenny business is located, you must participate in the program.

Other

We do not provide material benefits to you or withhold material benefits from you (such as renewal rights or the right to open additional franchised Auntea Jenny shops) based on whether or not you purchase through the sources we designate or approve as non-exclusive suppliers. You receive the benefit of knowing that designated or approved sources and products meet our quality standards, and you may benefit from favorable prices based on volume purchases by our franchisees. On the other hand, any purchases you make of unapproved products or from unapproved suppliers in violation of the franchise agreement will entitle us to collect a fine (described in Item 6) and to terminate your franchise agreement.

If you request our assistance in purchasing any equipment or supplies, we may charge you our usual fee for such assistance.

See Item 16 for restrictions on what you may sell in the context of your franchised business.

Item 9

FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise. It will help you find more detailed information about your obligations in this agreement and in other items of this disclosure document.

<i>Obligation</i>	<i>Sections in the Franchise Agreement</i>	<i>Disclosure Document Item</i>
a. Site selection and acquisition/lease	Sections 1.2.1 through 1.2.4	Items 11 and 12
b. Pre-opening purchases/leases	Sections 1.2.5, 1.2.6, 1.3 and 1.7.1	Items 7, 8 and 11

<i>Obligation</i>	<i>Sections in the Franchise Agreement</i>	<i>Disclosure Document Item</i>
c. Site development and other pre-opening requirements	Sections 1.2 and 1.3	Item 11
d. Initial and ongoing training	Section 1.5	Item 11
e. Opening	Sections 1.2.9 and 1.2.10 and 1.5.4	Item 11
f. Fees	Section 2.1	Items 5 and 6
g. Compliance with standards and policies/operating manual	Sections 1.2 through 1.7	Items 8, 11 and 16
h. Trademarks and proprietary information	Sections 3.1 and 3.2	Items 13 and 14
i. Restrictions on products/services offered	Sections 1.1.4, 1.3 and 1.6.1	Item 16
j. Warranty and customer service requirements	Section 1.6.2	Item 11
k. Territorial development and sales quotas	Not applicable	Item 12
l. Ongoing product/service purchases	Section 1.3	Item 8
m. Maintenance, appearance and remodeling requirements	Sections 1.2.5, 1.6.6, 1.6.7 and 1.6.8	Item 11
n. Insurance	Section 6.3	Items 7 and 8
o. Advertising	Section 1.7	Items 7 and 11
p. Indemnification	Sections 4.2.9 and 6.2	Item 13
q. Owner's participation / management / staffing	Sections 1.5 and 5.2.2.6	Items 11 and 15
r. Records and reports	Sections 2.1.9 and 2.2	Item 11
s. Inspections and audits	Sections 1.6.15 and 2.2	Item 11
t. Transfer	Article IV	Item 17
u. Renewal	Section 5.1.2	Item 17

<i>Obligation</i>	<i>Sections in the Franchise Agreement</i>	<i>Disclosure Document Item</i>
v. Post-termination obligations	Sections 3.2, 3.3.3, 5.3 and 5.4	Item 17
w. Non-competition covenants	Section 3.3	Items 16 and 17
x. Dispute resolution	Article VII	Item 17
y. Other: Personal Guaranty	Section 1.1.7	Item 15

Item 10

FINANCING

We do not offer direct or indirect financing. We do not guaranty your lease or any other obligation.

Item 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

Before Opening

Before you open your franchised business, we will provide the following assistance:

1. We review site proposals you submit to us and approve, reject or provide comments to you regarding each proposal. We do not own locations and lease them to franchisees. But we may assign our own lease of a location to you or sublease the space to you. We review the proposed lease to be sure that it allows us certain rights in the event of your default. (Franchise Agreement, Sections 1.2.1 and 1.2.2.)
2. We provide you with our requirements for site development, including dimensions, design, image, interior layout, décor, equipment, fixtures, furnishings and signs. (Franchise Agreement, Section 1.2.7.) We may require you to use specific suppliers for the floor plan and three-dimensional rendering of your franchised Auntea Jenny shop. We review, comment on and approve your final plans and specifications when they are satisfactory to us, and we consult with you on the construction and equipping of the franchised shop. (Franchise Agreement, Sections 1.2.6 and 1.3.) You are responsible for construction and conforming the premises to local ordinances and building codes, and for obtaining required permits. We make a final inspection of the franchised shop after you complete its construction. We may require any corrections and modifications we deem necessary to bring the franchised shop into compliance with accepted plans, equipment, designs and specifications.
3. We make available to you our confidential operations manual and supplementary materials, which we revise periodically. (Franchise Agreement, Section 1.4.) The manual remains our property. As of the date of this disclosure document, the manual contains approximately 99 pages. We may modify the manual from time to time, but the modifications will not alter your status and rights under

the franchise agreement. The table of contents of the manual is attached to this disclosure document as Exhibit E.

4. We provide to you a list of our approved products, equipment and suppliers. (Franchise Agreement, Section 1.3.)
5. We provide an initial -eight day training program for your managing owner, your operating manager and your store staff, as explained below in this Item 11. (Franchise Agreement, Section 1.5.3.)
6. We provide approximately three to five days of on-site pre-opening and opening training, supervision and assistance at your franchised Auntea Jenny shop. (Franchise Agreement, Section 1.5.4.)
7. We approve or provide you with advertising and promotional guidelines and materials for your public relations and advertising. (Franchise Agreement, Section 1.7.2.)
8. We provide such other assistance and support as we may deem necessary or desirable to assist you with the launch of your Auntea Jenny franchised business.

During Operation

During the operation of the franchised business, we will provide the following assistance:

1. We amend and revise the manual periodically. (Franchise Agreement, Section 1.4.2.)
2. We provide refresher courses from time to time. We do not charge for refresher courses that we require your personnel to attend, but you must pay the travel and living expenses and the salaries of your personnel if we require you to attend at a location other than your franchised shop. We also provide training for additional and replacement managers and other employees who have not completed the initial training program, at your expense. (Franchise Agreement, Sections 1.5.5 and 1.5.7.)
3. We conduct operational reviews and other quality control measures to ensure compliance with our standards and to recommend improvements. (Franchise Agreement, Sections 1.6.14 and 1.6.15.)
4. We provide standards and lists of approved suppliers and distributors for your use in the acquisition of equipment, inventory, materials, supplies and furnishings for your franchised shop. (Franchise Agreement, Section 1.3.)
5. We create, develop, and place advertising and promotional programs designed to promote and enhance all Auntea Jenny shop businesses and, if we deem necessary, test marketing and market research activities, for the benefit of the Auntea Jenny franchise system. We will administer the marketing fund if and when we create one, and cooperatives if they are formed, as described below. We will review all advertising materials you submit to us for your use in local advertising. (Franchise Agreement, Section 1.7.)
6. We maintain a website to advertise and promote Auntea Jenny shop businesses. Your location will be included in a list of Auntea Jenny shop locations on the Auntea Jenny website. (Franchise Agreement, Section 1.8.)
7. Our representatives will be available at all reasonable times to you for consultation by telephone concerning all aspects of operating the franchised business, upon reasonable notice, including the institution of proper administrative, bookkeeping, accounting, inventory control, supervisory and

general operating procedures for the effective operation of a franchised business. We may charge you a reasonable fee for providing on-site assistance at your request. (Franchise Agreement, Section 1.5.7.)

8. We may require you to comply with reasonable and lawful restrictions on prices of specific menu items or goods or services offered and sold by the franchised business as required in the operating manual or as we otherwise reasonably direct in writing from time to time. (Franchise Agreement, Section 1.6.16.)
9. We provide such other assistance and support as we may deem necessary or desirable to assist you in connection with the operation of the franchised business. Operations assistance may consist of advice and guidance in the form of a franchisee newsletter or internet postings on our franchisee website and other updates and written materials.

Site Selection

You are responsible for selecting the site for your franchised business. You must independently evaluate and investigate the proposed site. (Franchise Agreement, Section 1.2.1 and 1.2.2.) We must approve the site before you enter into lease negotiations. We do not have a time limit for our approval or disapproval of the site. We may take as long as 60 days to approve the site. Our failure to agree with you on a site or to reach agreement in a timely manner can result in your inability to open the shop for business within nine months after the date of your franchise agreement, which can result in the termination of your agreement.

The site will be indicated in Schedule A of the franchise agreement. (Franchise Agreement, Section 1.1.3.) In evaluating the site, we may inspect the site and we may consider a variety of factors, including lease obligations, demographic characteristics, traffic patterns, parking, character and attractiveness of the neighborhood, competing outlets and the proximity to other Auntea Jenny shops.

You will be solely responsible for negotiating and complying with the terms of the lease. We must review the lease before you sign it to ensure that our minimum lease requirements have been met. (Franchise Agreement, Section 1.2.5.) We may condition our approval of the lease upon inclusion in the lease of the lease addendum in the form of Exhibit F4 to this disclosure document. We are not responsible for review of the lease for any terms other than those contained in the lease addendum.

We recommend that you sign the lease (or site purchase agreement) shortly after we sign the franchise agreement. You must submit a copy of the signed lease or site purchase agreement to us after both parties sign. In any event, you must secure a location and lease that we approve within 180 days of the date of your franchise agreement.

Time of Opening

We estimate that the time from the signing of the franchise agreement or the first payment of any amount to us and the opening your franchised business will be approximately six to eight months. This time may be shorter or longer depending on the time necessary to negotiate the lease and obtain financing and the permits and licenses for the construction and operation of the shop. This time may also depend on the time required to complete construction or remodeling as it may be affected by weather conditions, shortages, delivery schedules, and other similar factors.

We may terminate the franchise agreement if you do not open the shop for business within nine months after the date of your franchise agreement. (Franchise Agreement, Sections 1.2.10 and 5.2.2.3.)

Advertising

National and Regional Advertising

We do not yet require our franchisees to pay a marketing fee, but we reserve the right to charge such a fee that does not exceed 2% of the gross sales of your franchised business each week during the term of the franchise agreement. (Franchise Agreement, Section 2.1.5.) Upon your request, we will provide to you an accounting of the marketing fees we collected in the prior year, showing the allocation of our advertising expenditures. Advertising receipts and expenditures are administered by us and are not audited. (Franchise Agreement, Section 1.7.7.)

If and when we create a marketing fund for national and regional advertising, we may also establish an entity to operate the marketing fund. We will account for any such fund separately from our other funds and we will not use it to defray any of our general operating expenses, except for reasonable salaries, administrative costs, travel expenses and overhead as we may incur in activities related to the administration of the marketing fund and its programs. (Franchise Agreement, Sections 1.7.4 through 1.7.10.) The source of the advertising may be our in-house advertising department or an outside advertising agency. If we or our affiliates provide in-house advertising department services, we or our affiliates may be reasonably compensated from the marketing fund. (Franchise Agreement, Section 1.7.6.)

Any amount of marketing fees that we do not spend in the year they accrue will be carried forward and included in the following year's marketing budget. Contributions to the marketing fund will not be used to sell additional franchises, although we may use materials resulting from such contributions on the system website (discussed below), which may advertise the Auntea Jenny franchise opportunity.

Although we will endeavor to use any marketing fund to develop advertising programs and to place advertising that will benefit all franchisees, we cannot ensure that expenditures from the marketing fund in any geographic area are proportionate or equivalent to contributions to the fund by franchisees operating in the geographic area or that your franchised business will benefit directly or in proportion to your contribution to the fund. (Franchise Agreement, Section 1.7.9.) We are not required to spend any amount on advertising in your area or territory.

Our company or affiliate-owned Auntea Jenny locations will not be required to contribute to the marketing fund on the same basis as Auntea Jenny franchisees.

You must participate in all promotion campaigns, advertising, loyalty programs, partnerships and other programs we periodically establish or approve, whether on a national, regional or local basis. We may charge you a technology fee to compensate us for the third-party platform we use for any customer loyalty program.

There is no advertising council composed of franchisees that advises us on advertising policies. But we have the power to form, change or dissolve advertising councils. (Franchise Agreement, Section 1.6.13.)

Advertising Cooperatives

We do not require you as of the date of this disclosure document to participate in any local or regional advertising cooperatives. However, we have the right to establish and coordinate cooperative advertising and sales programs, customer satisfaction programs and similar programs from time to time among Auntea Jenny franchisees. We may require you to participate in such programs on an equitable basis with other participants. (Franchise Agreement, Section 1.7.10.)

Local Advertising

We do not require you to engage in any local advertising or to spend any minimum amount of money on local advertising. (Franchise Agreement, Section 1.7.2.)

You may develop local advertising materials for your own use, at your own cost, following advertising criteria that we establish. We must approve the advertising materials in advance. All materials you use in local advertising, promotions and public relations must conform to our standards which are outlined in our operating manual. All such materials must be clear, factual and not misleading. You agree to submit to us, before you use them, samples of all materials you intend to use that we have not prepared or previously approved. We will endeavor to approve or disapprove the advertising materials within 15 days after we receive it from you, but we are not required to do so within this timeframe. If we have not notified you of disapproval within 15 days after your submission for approval, the materials will be considered approved. If we approve, we may withdraw our approval at any time for future use of such materials. (Franchise Agreement, Section 1.7.3.)

Website

We maintain a system website, and we may establish other websites, to advertise, market and promote the Auntea Jenny shops and the Auntea Jenny franchise opportunity. We maintain the system website. We may use the marketing fund assets to develop, maintain and update those parts of the system website that promote the Auntea Jenny business. (Franchise Agreement, Sections 1.7.6 and 1.8.1.)

We may also maintain an extranet or portal for Auntea Jenny franchisees where we post best practices, resource materials, training materials, financial benchmarking information and other information of value to franchisees. We may also use this portal to give you access to a customized software system for reporting and related operational functions, which we may revise and develop from time to time. (Franchise Agreement, Section 1.8.3.)

We must approve all Internet advertising you do. We will endeavor to approve or disapprove such advertising within 15 days after we receive it from you. (Franchise Agreement, Sections 1.7.3 and 1.7.12.)

Computer and Point of Sale Systems

You must purchase, license and use the computer, point of sale, business management, and ordering systems that we designate. Currently, the designated point of sale system that you must license and use is the Toast POS system and as otherwise designated by us in the Manuals. You must purchase a minimum of one and a maximum of two configured and licensed point of sale hardware terminals. Additionally, you must purchase and maintain a computer system on-site at your shop location. Generally, you will be required to obtain a computer system that will consist of certain hardware and software and, among other things, you will be required to meet our requirements for: (a) back office and point of sale systems; (b) security systems; (c) printers and other peripheral devices; (d) archive and back-up systems; and (e) high speed internet access. The initial upfront cost of the point of sale and computer system that you will be required to purchase ranges from \$5,000 to \$6,000. You are obligated to install or access all required point-of-sale and software upgrades as recommended by the manufacturer of the computer and the licensor of point-of-sale system. You are responsible for hardware repairs or replacement of systems that are no longer covered under warranty. Your estimated costs for the maintenance, repair and updates for the computer and point of sale systems can be as high as \$1,000 per year. There are no contractual obligations imposed on us to maintain, repair, update, or upgrade your computer systems. We will have independent access to all of the information and data that is electronically transmitted on your point of sale

system and will have access to all data related to the financial performance of your franchised shop. There are no contractual limitations on our right to access your point of sale system.

Training Program

Before you sign the franchise agreement, we ask you to designate the managing owner, who will supervise the operation of the business, and an operating manager, who will manage the day-to-day operation of the business. The managing owner must be an owner of an equity or voting interest in your business whom we approve. Your managing owner and operating manager may be the same person. (Franchise Agreement, Sections 1.5.1 and 1.5.2.)

We require that your managing owner, your operating manager and your store staff complete our initial eight day training program to our reasonable satisfaction no later than ten days before the opening of your franchised shop. (Franchise Agreement, Section 1.5.3.) We conduct approximately 28 hours of this training remotely online. We then provide approximately 36 hours of on-the-job training at your franchised shop. The entire initial training program takes place over a period of approximately 64 hours, or roughly eight days.

If your managing owner, your operating manager or any store staff member who attends initial training does not satisfactorily complete the initial training program or if we determine that any such person cannot satisfactorily complete the training program, you will be required to designate a replacement to satisfactorily complete the training. If your Auntea Jenny shop has been operating and your managing owner ceases active management or work at your business, then a replacement managing owner acceptable to us must be appointed and trained to our satisfaction within 30 days. (Franchise Agreement, Section 1.5.6.)

We charge an initial training fee of \$6,000 before you open your Auntea Jenny shop.

We conduct initial training approximately two weeks before the projected opening date of your franchise.

The instructors will be employees of our company or one of our affiliates with at least one year of experience in the subjects they teach and at least one year of experience working in our company or one of our affiliates.

The instructional materials consist of our manual and other materials we prepare for this program, including videos, advertising materials and detailed protocols, checklists and reports.

The following table provides detailed information about the initial training program.

TRAINING PROGRAM

<i>Subject</i>	<i>Hours of Classroom Training</i>	<i>Hours of On-the-Job Training</i>	<i>Location</i>
Branding	4	0	Classroom training is conducted remotely online. On-the-job training will be held at your franchised shop
Customer Service	4	4	
Food safety	4	4	
Product and Equipment	12	24	

<i>Subject</i>	<i>Hours of Classroom Training</i>	<i>Hours of On-the-Job Training</i>	<i>Location</i>
Inventory Management	4	4	
Subtotal Hours	28	36	
Total Hours	64		

We do not charge for training related to the introduction of new or updated products, classes, methods or procedures, or for refresher courses or other mandatory training unless we require training because your personnel are not meeting our standards. If any review indicates noncompliance with any system standards or if we receive negative customer feedback, we may require previously trained and experienced managers and employees to attend refresher training courses at such times and locations as we designate, and we may send our personnel to your franchised business for training. When we do not charge for training, you may nevertheless be required pay the travel and living expenses and salaries of your personnel who attend if we do this training at a location other than your franchised shop. The duration, frequency and content of refresher courses will be similar to the initial training program.

We may require that any or all of your managers attend refresher courses, seminars, and other training programs periodically.

Item 12

TERRITORY

Your franchise will be for a specific location. If you know the general area in which you would like to establish your franchised business but you have not yet identified a specific location and you would like to protect the area while you are considering possible locations for your Auntea Jenny shop, then you may sign a deposit agreement (Exhibit F) in which you and we agree upon a geographic area within which you may select a location for the franchised business. We must approve any location you select before we enter into the franchise agreement. The geographic area specified in the deposit agreement may be a circle with a radius ranging from 5 city blocks or one-half mile, whichever is less, in urban areas, to a radius of three miles in rural or some suburban areas.

Once your location is selected, we will define the territory for your franchise agreement. This will generally also be a circle with a radius ranging from 5 city blocks or one-half mile, whichever is less, in urban areas, to a radius of three miles in rural or some suburban areas. Because of coastlines, rivers and other features of particular areas, we may delineate your territory by counties, zip codes, boundary streets or highways rather than a radius from the location of your franchised shop. In these cases, the territory will have approximately the same number of square feet or miles as we would otherwise delineate by the radius of a circle.

Your territory will be exclusive, but it will be defined to exclude areas that we call a “non-traditional” venues. A non-traditional venue is a well defined locale that generally serves a group of consumers who are there for a specific purpose, and where a retail shop such as ours would typically not compete with nearby retail businesses outside this locale. Examples of non-traditional venues are airports, hotels, resorts, military installations, school or university campuses, train stations, subway stations, casinos, theme parks, sports stadiums, enclosed shopping malls, and similar venues; or a part of any such venue, such as a particular airport terminal.

We may establish franchised or company-owned Auntea Jenny shops in any non-traditional venue..If your franchise itself is in a non-traditional venue, your exclusive territory will then encompass the area of the venue (i.e., the area of the hotel, university campus enclosed shopping mall or the like) or it may encompass a specific area of such venue, such as a particular airport terminal. (Franchise Agreement, Section 1.1.6.2.)

You maintain rights to your area even though the population increases. There is also no minimum sales quota.

You may not relocate your franchised Auntea Jenny shop without first obtaining our written consent. (Franchise Agreement, Section 1.2.11.) We will consider both the reasons for your requested relocation and the attributes of the proposed new site. Relocation will require a new build-out, renovation to the current standards and design, lease modification, franchise agreement changes and a fee to cover our costs and expenses.

You may operate delivery service within your territory or arrange for such service with a third-party service provider such as Uber Eats, Grubhub, Door Dash or another delivery service company prescribed or approved by us. You may also offer take-out and catering service to customers in your territory. Such sales will be included in gross sales for all purposes, including your reports, royalties and advertising fund calculations. You may not market or sell outside of your territory in any manner or do any Internet advertising without our prior written approval, which we may withhold in our discretion. You may promote the business through social media or direct marketing or similar means, within or outside of your territory, as long as such promotion is consistent with guidelines we issue from time to time.

We retain the right, without payment to you, to sell products under the AUNTEA JENNY trademark to grocery stores, supermarkets and other channels of distribution at any time, and to customers anywhere through our website. We do not pay any compensation to you when we solicit or accept orders from within your territory.

In the event that we merge with, acquire or are acquired by another company that competes with us, we and our affiliates reserve the right to offer and sell and authorize others to offer and sell competing products and services under any other names and marks while your franchise agreement is in effect.

You do not receive the right to acquire additional franchises or to establish or operate another Auntea Jenny franchised business unless you enter into a separate franchise agreement with us.

Item 13






TRADEMARKS

We grant you the right to operate a franchise under the name AUNTEA JENNY and the logo shown on the cover of this disclosure document. You may also use our other current or future Marks in the operation of your franchise. By Marks we mean trade names, trademarks, service marks and logos used to identify your Auntea Jenny franchised business.

Our affiliate, Auntea Jenny (Shanghai) Industrial Co., Ltd., owns the following trademarks, which are registered on the Principal Register of the United States Patent and Trademark Office ("USPTO"):

<i>Mark</i>	<i>Registration No.</i>	<i>Registration Date</i>
AUNTEA JENNY	7,611,303	December 17, 2024
AUNTEA JENNY	7,611,225	December 17, 2024
AUNTEA JENNY	7,611,073	December 17, 2024
AUNTEA JENNY	7,611,070	December 17, 2024
AUNTEA JENNY	7,611,029	December 17, 2024

Our affiliate, Auntea Jenny (Shanghai) Industrial Co., Ltd., has applied for registration of the following trademarks on the Principal Register of the USPTO:

<i>Mark</i>	<i>Serial No.</i>	<i>Filing Date</i>
	98428238	February 29, 2024
	98428230	February 29, 2024
	98428184	February 29, 2024
	98428156	February 29, 2024
	98428145	February 29, 2024
沪上阿姨	99105635	March 26, 2025
沪上阿姨	99105621	March 26, 2025

<i>Mark</i>	<i>Serial No.</i>	<i>Filing Date</i>
沪上阿姨	99105604	March 26, 2025
沪上阿姨	99105590	March 26, 2025
沪上阿姨	99105572	March 26, 2025

Auntea Jenny (Shanghai) Industrial Co., Ltd., does not have a federal registration of these trademarks. Therefore, our trademarks do not have many legal benefits and rights as a federally-registered trademark. If our right to use a trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

We have an exclusive license from Auntea Jenny (Shanghai) Industrial Co., Ltd. to use these trademarks to grant franchises anywhere in the U.S. for the operation of Auntea Jenny shops.

There are no agreements currently in effect that significantly limit our right to use or license the Marks in any manner material to the franchise. We know of no infringing uses that could materially affect your use of the Marks.

There are no determinations of the U.S. Patent and Trademark Office, the Trademark Trial and Appeal Board, or any state trademark administrator or court, or any pending interference, opposition or cancellation proceedings or pending material litigation involving any of the Marks that is relevant to their ownership or use in the states in which the franchised business is to be located.

You must immediately notify us of any apparent infringement of the Marks or challenge to your use of any of the Marks or claim by any person of any rights in any of the Marks. You are not permitted to communicate with any person other than us or our designated affiliate, their counsel and your counsel involving any infringement, challenge or claim. We can take action and have the right to exclusively control any litigation or Patent and Trademark Office or other administrative or agency proceeding caused by any infringement, challenge or claim or otherwise relating to any of the Marks. You must execute any and all documents, and do what may, in our counsel's opinion, be necessary or advisable to protect our interests in any litigation or Patent and Trademark Office or other administrative or agency proceeding or to otherwise protect and maintain our interests and the interests of any other person or entity having an interest in the Marks. (Franchise agreement, Section 3.1.5.)

We will indemnify you against and reimburse you for all damages for which you are held liable for your use of any of the Marks, provided that your conduct in the proceeding and your use of the Marks is in full compliance with the terms of the franchise agreement. (Franchise agreement, Section 6.2.2.)

Except as stated above, we are not obligated by the franchise agreement to protect any rights granted to you to use the Marks or to protect you against claims of infringement or unfair competition with respect to them. Although we are not contractually obligated to protect the Marks or your right to use them, as a matter of corporate policy, we intend to defend the Marks vigorously.

You may not use the Marks as a part of your corporate or other legal name, and you must comply with our instructions in filing and maintaining trade name or fictitious name registrations. You must execute any documents we require to protect the Marks or to maintain their continued validity and enforceability. In

addition, you may not directly or indirectly contest the validity of our rights in and to the Marks. (Franchise agreement, Sections 3.1.2 and 3.1.3.)

You may not own a domain name that includes “AUNTEA JENNY”. You must use only such email addresses as we authorize, and you must comply with policies we establish from time to time for your use of email and any web portal we create. (Franchise agreement, Sections 1.3.6, 1.7.12 and 1.8.3.)

We may require you, at your expense, to discontinue or modify your use of any of the Marks or to use one or more additional or substitute Marks if we determine that an addition or substitution will benefit the Auntea Jenny system. (Franchise agreement, Section 3.1.4.)

Item 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights

We do not own any patents that are material to your franchised business or the Auntea Jenny franchise system.

We and our affiliates also claim all rights and interests, including all copyrights, to the information contained in the manuals, computer programs, advertising materials, the Auntea Jenny website and all our communications to you in writing or otherwise setting forth our standards, requirements, operating procedures or policies relating to the operation of an Auntea Jenny franchise, as well as any revisions and additions to these materials. (Franchise Agreement, Section 3.1.1.) We have not registered the copyrights in any of these materials.

Proprietary Information

Your knowledge of the operation of the franchised business, including the courses and other specifications, standards and operating procedures, is derived from information that we disclose to you. This information, including the information contained in the manuals and the information presented during training, is confidential material owned by us. Our confidential information includes our product recipes; our methods of operation; our sales and marketing techniques; our planned marketing and advertising programs; the content of our training and assistance; the contents of the Manual; the operating results and financial performance of other Auntea Jenny franchisees; all customer lists and other information we receive from you; and usernames and passwords allowing access to protected areas on our website or computer network. (Franchise Agreement, Section 3.2.1.)

We and our affiliates also claim ownership of all demographic data and customer lists generated by your activity as a franchisee. (Franchise Agreement, Section 3.2.1.)

You must maintain the absolute confidentiality of this proprietary information during and after the term of the franchise agreement and you cannot disclose, sell or use any such information in any other business or in any manner not specifically authorized or approved in writing by us. (Franchise Agreement, Section 3.2.2.) You may use such information only in furtherance of the franchised business.

Each manager of your franchised business and each person who receives training from us or otherwise has access to our confidential information, and each owner of your business if you are a legal entity, must sign a written agreement that contains similar nondisclosure obligations. See Item 15.

You must notify us promptly in writing if you learn about any unauthorized use of our copyrights or proprietary information. We are not obligated to take any action, but we will respond to this information as we think appropriate. (Franchise Agreement, Section 3.1.5.)

All improvements in the Auntea Jenny system that you develop will become our property. We will have the sole right to protect such improvements in our name or in the name of any of our affiliates by means of copyright, patent, trade secret or trademark law. (Franchise Agreement, Section 1.4.3.) You must promptly disclose all such improvements to us.

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

Your franchise agreement will specify who will be the “managing owner” of your franchised business and who will be your “operating manager”. Your operating manager must devote his or her full working time, attention and effort to the franchised business and provide direct, day-to-day supervision of the operation. The operating manager may not take on other business responsibilities that would be inconsistent with the operational requirements of the franchised business or contrary to its best interest. (Franchise Agreement, Section 1.5.2.) Your managing owner must be an owner of a 25% or greater equity or voting interest in your business whom we approve. Your managing owner is responsible for overseeing and supervising the operation of the franchised business, but we do not require your managing owner to devote his or her full working time to the franchised business unless the managing owner is also the operating manager. (Franchise Agreement, Section 1.5.1.) The managing owner and operating manager may be the same person.

Before your Auntea Jenny location opens for business, we require that your managing owner and operating manager attend and complete our initial training program to our satisfaction. (Franchise Agreement, Section 1.5.3. See Item 11.)

If at any time your Auntea Jenny business is not being managed by a managing owner or operating manager who has attended and completed our initial training program to our satisfaction, we are authorized, but not required, to appoint a manager to maintain operations on your behalf. (Franchise Agreement, Sections 1.5.6 and 2.1.7.8.)

Our appointment of a manager does not relieve you of your obligations under the franchise agreement. We will not be liable for any debts, losses, costs or expenses incurred during any period in which we manage the franchised business. We have the right to charge a reasonable service fee for such management services, and we may cease providing such services at any time. (Franchise Agreement, Section 4.2.8.)

Each owner of your company must sign a guaranty and assumption of obligations in a form acceptable to us. (Franchise Agreement, Section 1.1.7.) We may also require the spouse of any signatory to sign, in our discretion. Any breach of this guaranty by any such owner or spouse will be deemed a breach of this Agreement.

Each manager of your franchised business and each person who receives training from us or otherwise has access to our confidential information who has not signed the guaranty described in the preceding paragraph must sign a written confidentiality and noncompetition agreement with your company in a form acceptable to us. Any breach of such undertaking by any such person will be deemed a breach of the franchise agreement. (Franchise Agreement, Sections 1.5.9 and 3.2.2.)

We do not impose any other restrictions on your managers.

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale in your franchised business all of the products, services and menu items we specify, and you may not sell any products, services or menu items that we do not specify or approve. (Franchise Agreement, Section 1.1.4.) You must prepare and serve these products in accordance with our requirements. You must not deviate from our standards and specifications without first obtaining our written consent. Upon notice from us given at any time, you must discontinue offering for sale any items, products or services we may disapprove or discontinue.

We have the right, in our discretion, to add, remove or change the mix of products, services and menu items that you are required to offer. (Franchise Agreement, Sections 1.1.4 and 1.4.2.) There are no limits on our right to do so except that we must act reasonably.

There are no restrictions regarding customers you may service.

Item 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

<i>Provision</i>	<i>Sections in the Franchise Agreement</i>	<i>Summary</i>
a. Length of the franchise term	Section 5.1.1	Five years, or the end date of your lease if it is for a shorter period of time.
b. Renewal or extension of the term	Section 5.1.2	Upon expiration of the initial term, you may renew for a term equal to the term of your renewal lease, but not more than five years. At the expiration of the second ten-year term, you may renew provided we are still offering franchises.
c. Requirements for you to renew or extend	Sections 2.1.7.9 and 5.1.2	Notify us of your desire to renew 6-18 months before the end of the term; repair and update equipment and premises; and sign a new franchise agreement which may contain materially different terms and conditions than your original contract. We may require you to sign a release. You must also pay a renewal fee equal to 50% or the then-current initial fee or a prorated amount

<i>Provision</i>	<i>Sections in the Franchise Agreement</i>	<i>Summary</i>
		if you elect to renew for a shorter period than the full renewal term.
d. Termination by you	Section 5.2.1	You may terminate if we materially breach the franchise agreement and fail to cure after notice from you. You may also terminate the agreement on any grounds available by law.
e. Termination by us without cause	Not applicable	
f. Termination by us with cause	Sections 5.2.2 and 5.2.3	We can terminate if you default, including if any other Auntea Jenny, franchise agreement between us and you or any of your affiliates is terminated due to a breach by you or your affiliate.
g. "Cause" defined — defaults that can be cured	Section 5.2.3	You have 30 days to cure breaches other than non-curable breaches described in Provision "h" below.
h. "Cause" defined — non-curable defaults	Section 5.2.2	Misrepresentation to us; failure to successfully complete training; failure to open the business within the required time; unauthorized disclosure of confidential information; unauthorized use of Marks; attempted transfer without our approval; failure to pay taxes; failure to maintain insurance; criminal conviction; bankruptcy or insolvency; abandonment of the business; termination of another Auntea Jenny franchise agreement between us and you or any of your affiliates; damage to our goodwill. Termination upon your bankruptcy may not be enforceable under federal bankruptcy law.
i. Your obligations on termination /non-renewal	Section 5.3	Obligations include complete deidentification, return of manuals and payment of amounts due. (See also Provision "r" below.) If you terminate without cause before the agreement expires, or if we terminate on the basis of your material breach, you will pay us liquidated damages equal to the average monthly Royalty you owed us during the 24 months before termination multiplied by the lesser of 36 or the number of months in the remainder of the term.

<i>Provision</i>	<i>Sections in the Franchise Agreement</i>	<i>Summary</i>
j. Assignment of contract by us	Section 4.1	No restriction on our right to assign.
k. “Transfer” by you — defined	Section 4.2.2	Includes transfer of contract or assets or ownership.
l. Our approval of a transfer by you	Section 4.2	We may withhold our approval to a transfer unless the conditions in Provision “m” below have been met.
m. Conditions for our approval of the transfer	Sections 2.1.7.7 and 4.2	The transferee meets our criteria for Auntea Jenny franchisees; you are in compliance with our requirements; the transferee signs the then-current form of franchise agreement; you acknowledge your continuing confidentiality and noncompete requirements; new manager is trained; we approve the terms of the transfer; you notify us of the closing date.
n. Our right of first refusal to acquire your business	Section 4.3	We can match any offer for your business.
o. Our option to purchase your business	Section 5.4	On termination or nonrenewal, we may purchase the assets of your business at their fair market value.
p. Your death or disability	Section 4.2.6	The estate or personal representative must assign the franchise to an approved buyer within 12 months in the event of death, and 6 months in the event of disability.
q. Non-competition covenants during the term of the franchise	Section 3.3.2	No involvement in competing business anywhere in the U.S. or in any other country in which an Auntea Jenny shop operates (subject to applicable state law).
r. Non-competition covenants after the franchise is terminated or expires	Section 3.3.3	No competing business for two years (including after assignment) within 5 miles of any Auntea Jenny shop business at the time the franchise is terminated or expires (subject to applicable law).

<i>Provision</i>	<i>Sections in the Franchise Agreement</i>	<i>Summary</i>
s. Modification of the franchise agreement	Sections 1.4 and 7.14	No modifications generally unless signed by the parties, but the manual is subject to change.
t. Integration/merger clause	Section 7.15	Only the terms of the signed agreements are binding (subject to applicable law). Any representations or promises outside the disclosure document and franchise agreement may not be enforceable. Our integration/merger clause does not disclaim the representations in this disclosure document.
u. Dispute resolution by arbitration or mediation	Not applicable	Neither we nor you are required to endeavor to resolve a dispute by arbitration or mediation (subject to applicable state law).
v. Choice of forum	Section 7.12	FA: Litigation must be in San Francisco, California, except as otherwise noted in Exhibit G (subject to applicable state law).
w. Choice of law	Section 7.11	California law applies except as otherwise noted in Exhibit G (subject to applicable state law).

See the state addenda for special state disclosures. (Exhibit G.)

Item 18

PUBLIC FIGURES

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

Item 19

FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and 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.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Mr. Shan Weijun, Auntea Jenny Brand Management LLC, 4695 Chabot Dr, Suite 200, Rm 220, Pleasanton, CA 94588, telephone 949-867-1611, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20

OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For Years 2022 to 2024

<i>Outlet Type</i>	<i>Year</i>	<i>Outlets at the Start of the Year</i>	<i>Outlets at the End of the Year</i>	<i>Net Change</i>
Franchised	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Company-Owned	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Total Outlets	2022	0	0	0
	2023	0	0	0
	2024	0	0	0

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2022 to 2024

<i>State</i>	<i>Year</i>	<i>Number of Transfers</i>
CA	2022	0
	2023	0
	2024	0
NY	2022	0
	2023	0
	2024	0

State	Year	Number of Transfers
Total	2022	0
	2023	0
	2024	0

Table No. 3
Status of Franchised Outlets
For Years 2022 to 2024

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
All states	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Total	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0

Table No. 4
Status of Company-Owned Outlets
For Years 2022 to 2024

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
All states	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Total	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0

Table No. 5
Projected Openings as of December 31, 2024

State	<i>Franchise Agreements Signed But Outlet Not Opened</i>	<i>Projected New Franchised Outlets in the Next Fiscal Year</i>	<i>Projected New Company-Owned Outlets in the Next Fiscal Year</i>
CA	0	0	3
NY	0	2	0
Total	0	2	3

Exhibit B1 lists the names of all current Auntea Jenny franchisees and the addresses and telephone numbers of their outlets as of the date of this disclosure document.

Exhibit B2 lists the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who has not communicated with us within ten weeks of the issuance 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.

Exhibit C1 lists, to the extent known, the names, addresses, telephone numbers, email address and Web address of each trademark-specific franchisee organization associated with the franchise system being offered which we have created, sponsored or endorsed.

Exhibit C2 lists the independent franchisee organizations that have asked to be included in this disclosure document.

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

Item 21

FINANCIAL STATEMENTS

Attached to this disclosure document as Exhibit D is the audited opening balance sheet of Auntea Jenny Brand Management LLC as of July 9, 2025. Our fiscal year end is December 31.

Item 22

CONTRACTS

Exhibit F contains copies of the following contracts:

1. Franchise Deposit Agreement
2. Franchise Agreement
3. Guaranty
4. Lease Addendum
5. Supply Agreement
6. Consent to Transfer Agreement
7. Renewal Addendum

Item 23

RECEIPTS

A detachable form for your use to acknowledge your receipt of this disclosure document, including all exhibits, is attached as Exhibit H at the very end of this disclosure document. You must date and sign this receipt and deliver it to us.

EXHIBIT A

**STATE ADMINISTRATORS
AND
AGENTS FOR SERVICE OF PROCESS**

State	State Administrator	Agent for Service of Process
California	California Department of Financial Protection & Innovation 651 Bannan Street, Suite 300 Sacramento, CA 95834 916-327-7585; 866-275-2677 One Sansome Street, Suite 600 San Francisco, CA 94104-4428 415-972-8565; 866-275-2677 300 S. Spring Street, Suite 15513 Los Angeles, CA 90013-1259 213-897-2085; 866-275-2677 320 West 4 th Street, Suite 750 Los Angeles, CA 90013-2344 213-576-7500; 866-275-2677 1455 Frazee Road, Suite 315 San Diego, CA 92108 619-610-2093; 866-275-2677	California Commissioner of Financial Protection and Innovation
Connecticut	Connecticut Department of Banking Securities and Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 860-240-8109	Banking Commissioner
Hawaii	Business Registration Division Securities Compliance Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 808-587-7222	Commissioner of Securities
Illinois	Illinois Attorney General Franchise Bureau 500 S. Second Street Springfield, IL 62706 217-782-4465	Attorney General

State	State Administrator	Agent for Service of Process
Indiana	Indiana Securities Division Secretary of State Indiana Gov't Center South, E-111 Indianapolis, IN 46204 317-232-6681	Secretary of State
Maryland	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 410-576-6360	Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Attorney General's Office Consumer Protection Division 525 W. Ottawa Street 670 Williams Building Lansing, MI 48909 517-373-7117	Attorney General
Minnesota	Minnesota Department of Commerce Market Assurance Division 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198 651-539-1600	Commissioner of Commerce
New York	NYS Department of Law Investor Protection Bureau 28 Liberty Street New York, NY 10005 212-416-8222	Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6 th Floor Albany, NY 12231-0001
North Dakota	North Dakota Securities Department 600 East Boulevard Avenue, Fifth Floor Bismarck, North Dakota 58505-0510 701-328-4712	Securities Commissioner
Rhode Island	Department of Business Regulation 1511 Pontiac Avenue, Bldg. 69-1 Cranston, RI 02920 401-462-9527	Director, Department of Business Regulation
South Dakota	Department of Labor and Regulation Division of Securities 124 South Euclid, Suite 104 Pierre, SD 57501 605-773-4823	Director of the Division of Securities

State	State Administrator	Agent for Service of Process
Virginia	State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main Street, 9th Floor Richmond, VA 23219 804-371-9051	Clerk, State Corporation Commission 1300 E. Main Street, 1 st Floor Richmond, VA 23219 804-371-9733
Washington	Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, WA 98504-1200 360-902-8760	Securities Administrator Director of Financial Institutions Securities Division 150 Israel Road SW Tumwater, WA 98501
Wisconsin	Wisconsin Division of Securities Department of Financial Institutions P.O. Box 1768 Madison, WI 53701 608-266-8557	Administrator Division of Securities Department of Financial Institutions

FRANCHISEES

FRANCHISES OPEN AS OF 12/31/2024

None

FRANCHISES SIGNED BUT NOT OPEN AS OF 12/31/2024

None

FORMER FRANCHISEES

None

EXHIBIT C

1. FRANCHISEE ORGANIZATIONS WE HAVE CREATED, SPONSORED OR ENDORSED

None as of the date of this disclosure document

2. INDEPENDENT FRANCHISEE ASSOCIATIONS

None as of the date of this disclosure document

FINANCIAL STATEMENTS



AUNTEA JENNY BRAND MANAGEMENT LLC

**Financial Statement
As of July 9, 2025
and Independent Auditors' Report**

AUNTEA JENNY BRAND MANAGEMENT LLC

FINANCIAL STATEMENT AS OF JULY 9, 2025

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• **MAIN OFFICE**
133-10 39TH AVENUE
FLUSHING, NY 11354
TEL. (718) 445-6308
FAX. (718) 445-6760

• **CALIFORNIA OFFICE**
36 W BAY STATE STREET
ALHAMBRA, CA 91801
TEL. (626) 282-1630
FAX. (626) 282-9726

INDEPENDENT AUDITORS' REPORT

To the Member of the
Auntea Jenny Brand Management LLC

Opinion

We have audited the accompanying financial statement of Auntea Jenny Brand Management (the "Company"), which comprise the balance sheet as of July 9, 2025, and the related notes to financial statement.

In our opinion, the financial statement referred to above present fairly, in all material respects, the financial position of the Company as of July 9, 2025 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statement

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

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



Auditor's Responsibilities for the Audit of the Financial Statement

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

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

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



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

Wei & Co. LLP

Flushing, New York
July 31, 2025

AUNTEA JENNY BRAND MANAGEMENT LLC

BALANCE SHEET JULY 9, 2025

ASSETS

Current assets:

Cash (<i>Note 2</i>)	\$	100,000
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TOTAL ASSETS	\$	100,000
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LIABILITIES AND MEMBER'S EQUITY

Member's equity	\$	100,000
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TOTAL LIABILITIES AND MEMBER'S EQUITY	\$	100,000
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See independent auditors' report and accompanying notes to financial statement.

AUNTEA JENNY BRAND MANAGEMENT LLC

NOTES TO FINANCIAL STATEMENT JULY 9, 2025

1. THE COMPANY

Auntea Jenny Brand Management LLC (the “Company”) was organized as a limited liability company under the laws of the State of Delaware on January 9, 2025. The Company offers and sells the brand name “Auntea Jenny” franchises throughout the United States. Pursuant to the Company’s standard franchise agreement, franchisees will operate Auntea Jenny Tea Stores using the Company’s proprietary recipes, equipment, products, operational techniques, trade uniform, trademarks and logos.

Since the Company is a limited liability company, the member is not liable for the debts, obligations, or liabilities of the Company, whether arising in contract, tort or otherwise, unless a member has signed a specific guarantee.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statement has been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Cash

For the purposes of the financial statement, the Company considers all demand deposits, money market funds, and liquid securities with original maturities of three months or less to be cash equivalents.

Use of Estimates

The preparation of financial statement in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statement. Actual results could differ from those estimates.

AUNTEA JENNY BRAND MANAGEMENT LLC

NOTES TO FINANCIAL STATEMENT JULY 9, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value of Financial Instruments

Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 820, *Fair Value Measurement*, defines fair value as the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. The fair value should be calculated based on assumptions that market participants would use in pricing the asset or liability, not on assumptions specific to the entity. FASB ASC 820 specifies a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (observable inputs). In accordance with FASB ASC 820, the following summarizes the fair value hierarchy:

Level 1 Inputs – Unadjusted quoted market prices for identical assets and liabilities in an active market that the Company has the ability to access.

Level 2 Inputs – Inputs other than the quoted prices in level 1 that are observable either directly or indirectly.

Level 3 Inputs – Inputs based on prices or valuation techniques that are both unobservable and significant to the overall fair value measurements.

As of July 9, 2025, none of the assets and liabilities were required to be reported at fair value on a recurring basis. Carrying values of non-derivative financial instruments, including cash, approximate their fair value due to the short-term nature of these financial instruments.

3. CONCENTRATION OF CREDIT RISK

The Company maintains its cash accounts at a commercial bank. The Federal Deposit Insurance Corporation (“FDIC”) insures up to \$250,000 for the total cash balances in each financial institution. At July 9, 2025, the Company did not have any cash balances in excess of FDIC insured limits.

AUNTEA JENNY BRAND MANAGEMENT LLC

NOTES TO FINANCIAL STATEMENT JULY 9, 2025

4. SUBSEQUENT EVENTS

The Company's management has performed subsequent events procedures through July 31, 2025, which is the date the financial statements is available to be issued. There were no subsequent events requiring adjustment to the financial statement or disclosures as stated herein.

EXHIBIT E**AUNTEA JENNY MANUAL
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AGREEMENTS

AUNTEA JENNY BRAND MANAGEMENT LLC
FRANCHISE DEPOSIT AGREEMENT

The Applicant's Name(s)

Date Submitted

Desired Geographic Area: _____

1. **Purpose of this Agreement.** This Agreement sets forth the terms and conditions upon which the undersigned applicant (the "Applicant") agrees to make an initial deposit to AUNTEA JENNY BRAND MANAGEMENT LLC, a Delaware limited liability company (referred to in this Agreement as "we" or "us"), as part of the Applicant's application to become an Auntea Jenny franchisee (the "Application").

2. **Franchise Disclosure Document.** We will not accept any signed franchise deposit agreement or any payment under this agreement or otherwise until at least two calendar weeks shall have passed from the time that the Applicant shall have (i) received a currently effective franchise disclosure document (the "FDD") describing the Auntea Jenny franchise offering and (ii) delivered to us a signed and dated acknowledgment of receipt of the FDD in the form that appears on the last page of the FDD.

3. **Desired Geographic Area.** The geographic area in which the Applicant desires to establish a franchised Auntea Jenny shop is described above (the "Desired Area"). This description merely points to the area within which the parties will focus their consideration of a possible Auntea Jenny franchise. We make no representation or assurance that any site the Applicant finds, whether within or outside of the desired area, will be acceptable to us or will be a location at which the Applicant is likely to be successful in operating a franchise.

4. **Deposit.** Together with this Agreement, the Applicant is remitting to us a deposit in the amount of \$15,000 (the "Deposit"), paid in a manner acceptable to us. The purpose of the Deposit is to reserve the Desired Area as the area in which the Applicant desires to establish an Auntea Jenny franchised shop. In the event that the Applicant enters into a franchise agreement for an Auntea Jenny shop (a "Franchise Agreement"), the Deposit will be deemed to be a partial payment of the initial fee under the Franchise Agreement. If this Agreement expires or if it terminates for any reason before we and the Applicant sign a franchise agreement for a franchised Auntea Jenny shop within the Desired Area, then we will refund the Deposit to the Applicant.

5. **No Obligation.** Although we and the Applicant agree to evaluate a possible Franchise Agreement in good faith, nothing in this Agreement will be deemed to obligate either party to enter into a Franchise Agreement. The Applicant agrees to submit to us or our agent as soon as practicable all information and materials that we reasonably request in order to permit us to evaluate any site proposed by the Applicant, as well as to evaluate the Applicant's qualifications to be an Auntea Jenny franchisee. We agree to submit our approval or disapproval of any proposed site within 30 days after we receive all such requested information and materials. We may disapprove any site proposed by the Applicant on any basis in our discretion.

6. **Term and Termination.** Unless sooner terminated by either party upon notice to the other party or superseded by a signed franchise agreement, this Agreement will remain in effect for three months or the later expiration of the 30-day period after the Applicant shall have given us the materials we request so that we may evaluate the proposed site. Either party may terminate this Agreement at any time and for any

reason upon notice to the other party by email or otherwise in writing. Neither party is required to inform the other party of its reason or reasons for such termination.

7. **Exclusivity.** During the term of this Agreement, we agree not to establish or grant rights to any other person or entity for an Auntea Jenny shop within the desired geographic area described above, except as provided in Section 8 below and except in a “non-traditional location”. A non-traditional location is a well-defined area that generally serves a group of consumers who are there for a specific purpose, and where a retail shop such as ours would typically not compete with nearby retail businesses outside this area. Examples of non-traditional locations are airports, hotels or resorts, military installations, schools or university campuses, train stations, subway stations, casinos, theme parks, sports stadiums or enclosed shopping malls.

8. **Right of First Refusal.** In the event that we decide to establish an Auntea Jenny shop at a particular location within in the Desired Area while this agreement is in effect, we will not offer or grant a franchise to any other person or entity for such location or open a company- or affiliate-owned Auntea Jenny shop until we shall first have offered such location to the Applicant and given the Applicant at least 14 calendar days following the date of such offer to accept such offer by email or otherwise in writing.

9. **The Applicant's Representations.** The Applicant represents that all information submitted by the Applicant as part of the Application is true and correct, and that the financial information submitted as part of the Application fairly reflects applicant's financial position as of the date submitted.

10. **Confidentiality.** During the course of our evaluation of the Application, we may disclose to the Applicant certain confidential information of ours. The Applicant agrees to maintain the confidentiality of such information and not to disclose any such information to anyone else, nor to use such information in the operation of any business other than a franchised Auntea Jenny shop, both during and after the evaluation. Upon our request made at any time, the Applicant agrees to deliver to us or to destroy, as we direct, all copies of such information in the Applicant's possession or under its control and to erase all copies of such information held in any electronic format.

11. **Entire Agreement.** This Agreement constitutes the entire understanding of the parties and supersedes any prior oral or written agreements between the parties; provided, however, that nothing in this or any related agreement is intended to disclaim the representations we made in the latest franchise disclosure document that we furnished to the Applicant.

12. **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the State of California.

AUNTEA JENNY BRAND MANAGEMENT LLC

THE APPLICANT

By _____

Signature

Name and Title

Address

Date

Date



AUNTEA JENNY
沪上阿姨

FRANCHISE AGREEMENT

FRANCHISEE:

FRANCHISE LOCATION:

DATE OF AGREEMENT:

AUNTEA JENNY

FRANCHISE AGREEMENT

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AUNTEA JENNY
FRANCHISE AGREEMENT

AGREEMENT effective as of _____, 20____, between AUNTEA JENNY BRAND MANAGEMENT LLC, a Delaware limited liability company (referred to in this Agreement as “we” or “us”), and _____, a _____ [indicate type of entity and state of formation] (referred to in this Agreement as “you” or “your company”).

We and our affiliated companies have developed a system (the “System”) for the operation of retail shops selling a variety of freshly-made and unique teas, including fruit and milk teas with grain toppings, and other beverages and menu items (the “Auntea Jenny shops”).

Auntea Jenny shops operate under the trademark AUNTEA JENNY and other trademarks described in our franchise disclosure document, and we may create, use and license additional trademarks or substitute different trademarks in the future in conjunction with the operation of Auntea Jenny shops (collectively, the “Marks”).

You have applied for a franchise to own and operate an Auntea Jenny shop and we are pleased to grant such franchise to you on the terms and conditions set forth below.

Accordingly, you and we agree as follows:

ARTICLE I – GRANT AND OPERATION OF THE FRANCHISE

Section 1.1 – *Grant of Rights*

1.1.1 *Grant of Rights.* We grant to you the right, and you undertake the obligation, to operate a franchised Auntea Jenny shop (the “Franchised Business”) at the location stated in Schedule A (the “Site”) in accordance with the System Standards (as defined in Section 1.4.1 below) and the terms and conditions of this Agreement.

1.1.2 *Territory.* So long as you are not in default under this Agreement, we will not operate or grant others the right to operate an Auntea Jenny shop within the geographic area surrounding the Site as described in Schedule A (the “Territory”) during the Term of this Agreement, except as set forth in Section 1.1.6.

1.1.3 *Single Site.* You must operate the Franchised Business only at the Site, or if the Site is not described in Schedule A, then at a location approved by us in writing that is within the geographic area described in Schedule A. You may not relocate the Franchised Business or operate the Franchised Business from any location other than the Site without our prior written approval in accordance with Section 1.2.11. You do not have the right to grant subfranchises of the rights granted under this Agreement. The grant of this franchise does not give you the right to receive additional franchises from us.

1.1.4 *Products and Services Offered.* You must offer and sell in the Franchised Business all of the products, services and menu items we specify. You may not sell under the Marks or in the Franchised Business any products, services or menu items we do not specify or approve for use with the System. If you desire to sell any products, services or menu items that we have not specified or approved, you must request our approval in accordance with Section 1.3.4. All of your modifications or customizations of the products, services or menu items you offer or sell must first be approved by us and will become, in our discretion, part of the System Standards. We may specify a new required product, service or menu item upon at least 30 days' prior notice to you. Upon oral, email or written notice from us given at any time, you must discontinue offering for sale any product, service or menu item we disapprove or discontinue. In

addition to our right to terminate this Agreement, we have the right to assess our then current prohibited product or service fee in the event you continue offering unapproved products, services or menu items after you receive oral, email or written notice from us advising you to cease sales of such product or service.

1.1.5 *Manner of Sale*. In addition to your service to customers on-premises for consumption at the Site, you may also offer take-out and delivery service within the Territory provided that all receipts from such sales are processed through the point-of-sale system described in Section 1.3.7. Any third-party delivery service that you use must be prescribed or approved by us. You may not sell any products to food wholesalers or retailers, such as convenience shops, grocery stores or others for resale. You may not supply product to charities or others for resale or discount the sale of unsold product that is not fresh.

1.1.6 *Rights We Reserve*. We and our affiliates retain all rights not specifically granted to you under this Agreement. These rights include, without limitation, the right:

1.1.6.1 to establish Auntea Jenny shops, whether franchised or company or affiliate owned, anywhere outside the Territory;

1.1.6.2 to establish Auntea Jenny shops in non-traditional venues, such as airports, hotels and resorts, military installations, school and university campuses, train stations and subway stations, casinos, theme parks, sports stadiums and enclosed shopping malls, within or outside the Territory (but not within the Territory if the Site is located in a non-traditional venue);

1.1.6.3 to sell any products, including tea, coffee, juices and other hot and cold drinks, under the Marks and any other trademarks at grocery stores, supermarkets and other channels of distribution anywhere and at any time, and directly to customers through our website; and

1.1.6.4 to acquire and operate or to commence and operate any business under a trademark other than the Marks at any location.

1.1.7 *Guaranty*. Our grant of this franchise is made in reliance on the personal attributes of your company's owners and managers named in Schedule A. Each person who now or later owns or acquires, either legally or beneficially, any equity or voting interest in your company (the "Guarantor" or "Guarantors"), must execute and deliver to us a guaranty and assumption of obligations agreement in a form acceptable to us (the "Guaranty"). We may require the spouse of any or all Guarantors to sign the Guaranty in our discretion. If any owner is an entity, we have the right to have the Guaranty executed by individuals who have an indirect ownership interest in your company and their spouses, if applicable. Transfers of interest are restricted in accordance with Article IV. Upon our request at any time, you will furnish to us a list of all holders of legal and beneficial interests in your company, together with descriptions of the type of interests owned and the percentage ownership, and the names, addresses, email addresses and telephone numbers of the owners, certified as correct in the manner we specify. If any of your company's general partners, managers, officers or directors ceases to serve as such or if any new person becomes a general partner, manager, officer or director after the date of this Agreement, you will notify us of such change within 10 days. Any breach of a Guaranty will be deemed to be a breach of this Agreement.

Section 1.2 – ***Site Selection and Development; Opening***

1.2.1 *Site Selection*. You are solely responsible for selecting the Site for the Franchised Business. We merely approve the Site if it is acceptable to us. You must complete the arrangements to lease or purchase the approved premises for the Franchised Business (the "Shop Premises") in a timely manner at your expense.

1.2.2 *No Assurance*. You acknowledge that neither our recommendation nor our approval of the Site nor any information regarding the Site we communicate to you constitutes a guarantee, assurance,

representation or warranty of any kind, express or implied, as to the suitability of the Site for an Auntea Jenny shop or its successful operation or profitability. You acknowledge that your acceptance of the franchise is based on your own independent investigation of the suitability of the Site.

1.2.3 *Your Role as Property Owner or Tenant.* Except as you and we may otherwise agree in writing, each lease, purchase and loan agreement related to the development, opening and operation of the Franchised Business (i) will be entered into by and in the name of your company as tenant, purchaser or borrower and (ii) will not be entered into by or in the name of any of your affiliates or any other person or entity, as tenant, purchaser or borrower.

1.2.4 *Our Role as Landlord or Lease Assignor.* If we or any of our affiliates own or are the lessee of the Shop Premises, we will lease the Shop Premises for the term of this Agreement (excluding renewals) at fair market value. If you lease or sublease the Shop Premises from us or our affiliate, you agree to execute our then current form of sublease, and if you are an entity, you agree to have each of your owners execute our then current form of guaranty. If we or one of our affiliates elects to assign an existing lease to you and you desire to obtain an assignment of the existing lease, unless we otherwise agree, you will arrange for our release or the release of our affiliate, as assignor, from all obligations under the assigned lease as of the date of the assignment.

1.2.5 *Lease from a Third Party Landlord.* If neither we nor any of our affiliates owns the Shop Premises and we have not assigned an existing lease to you, you must submit the proposed lease of the Shop Premises (the "Lease") to us for our prior written approval as to its form. Any Lease or Lease renewal must contain the following provisions:

1.2.5.1. The permitted use of the Shop Premises will be limited to the operation of an Auntea Jenny shop.

1.2.5.2. You are permitted to use and install the trademarks, trade dress, signage and related features associated with the System that we may prescribe.

1.2.5.3. The landlord will provide us with copies of any written notice of default under the Lease sent to you concurrently with the landlord's delivery of such notice to you. Such notice must grant to us the right (but not the obligation) to cure any default under the Lease (should you fail to do so) within 15 days after the expiration of the period in which you may cure the default.

1.2.5.4. You and the landlord will, at our request, execute a lease addendum substantially similar to our then current standard lease addendum form, consenting to the Collateral Assignment of Lease, granting to us or our assignee the right to succeed to your rights and obligations under the Lease in the event that this Agreement is terminated for any reason or it expires without a renewal agreement, or if you commit any breach of the Lease that could lead to termination of the Lease.

1.2.5.5. The landlord will grant to us the right (but not the obligation), to assume the Lease upon the expiration of this Agreement or its termination for any reason. In such event, we will give the landlord notice of our assumption of the Lease, and in exchange for the landlord's agreement to recognize us as the new tenant under the Lease we will agree thereafter to be bound by the terms of the Lease. We will have the right to assign our interest in the Lease to an approved franchisee and we will have no further liability or obligation under the Lease after any such assignment. Unless and until we agree in writing to assume the Lease, we will have no liability or obligation under the Lease. In any event, you will be solely responsible to the landlord for all debts, payments and other obligations under the Lease that were incurred before we or another franchisee actually takes possession of the Shop Premises.

1.2.5.6. The landlord will not accept your voluntary surrender of the Lease without prior notice to us. You and the landlord will not renew or extend the term of the Lease, nor amend, modify or alter the Lease, without our written consent. You may not assign your interest in the Lease nor sublet all or any portion of the Shop Premises without our written consent.

We are not responsible for reviewing and negotiating the Lease on your behalf. You acknowledge that we have advised you to have an attorney review, evaluate and negotiate the Lease. If we do not have a copy of the signed Lease, you must deliver such copy to us within 14 days after it is signed by you and the landlord. Once signed, you agree not to terminate the Lease or modify or amend any of the provisions of the Lease without our prior written consent, which we may withhold in our discretion.

1.2.6 *Purchase of the Site.* If you propose to purchase the real property constituting the Site, the form of any purchase agreement with the seller and any related documents, and the form of any loan agreement or mortgage related to the Site must be approved by us before you sign them. If you already own the real property constituting the Site, the form of any loan agreement or mortgage related to the Site that you propose to sign on or after the date of this Agreement must be approved by us before you sign it. Our consent to such documents may be conditioned upon the inclusion of various terms and conditions, including a requirement that the lender or mortgagee will provide us with copies of any written notice of deficiency or default under the terms of the loan or mortgage sent to you concurrently with the lender's or mortgagee's delivery of such notice to you. Such notice must grant to us the right (but not the obligation) to cure any default under the loan or mortgage (should you fail to do so) within 15 days after the expiration of the period in which you may cure the default. Once the purchase contract and loan agreement or mortgage is signed, you must deliver to us a copy of the signed documents within 14 days after they are signed.

1.2.7 *Site Development.* You are solely responsible, at your own expense, for obtaining any necessary financing and all permits and licenses required to operate the Franchised Business, and for constructing all required improvements to the Site and decorating the Shop Premises in compliance with plans and specifications we have prescribed or approved. We will furnish you with mandatory and suggested specifications and layouts for an Auntea Jenny shop, including requirements for dimensions, design, image, interior layout, décor, equipment, fixtures, furnishings and signs, which items will be supplied either by us or by suppliers we specify or approve. You (or your landlord on your behalf) must engage an architect to prepare all required construction plans and specifications to comply with all applicable ordinances, building codes and permit requirements and with all lease or sublease requirements and restrictions, if any. You must submit construction plans and specifications to us for approval before construction of improvements to the Site commences. Such plans must include a three-dimensional rendering of the completed shop, acceptable to us, prepared by your architect or designer. We may require you to use specific suppliers for the floor plan and three-dimensional rendering of your franchised Auntea Jenny shop. You understand that you may modify our mandatory specifications only to the extent required to comply with applicable ordinances, building codes and permit requirements, and only with our prior written approval. In addition, you must engage a qualified interior designer and you must submit all design plans to us for our approval in advance, unless, in our discretion, we decide to supply to you our own design package for your purchase. You must also submit to us proofs of all signage for the Franchised Business for our approval in accordance with Section 1.7.1 before you produce such signage.

1.2.8 *Menu Boards and Formats.* We have the right to prescribe and subsequently vary one or more menus and menu boards and formats to be used in the Franchised Business. The menu boards and formats may include requirements concerning organization, graphics, product descriptions, illustrations and other matters related to the menu. Prescribed menu boards and formats may vary depending on the region, market size or other factors we deem to be relevant.

1.2.9 *Conditions to Opening.* You may not begin commercial operation of the Franchised Business until:

1.2.9.1 all of your obligations pursuant to Sections 1.2.5, 1.2.6 and 1.2.7, as applicable, are fulfilled;

1.2.9.2 we determine that the Shop Premises have been constructed, furnished, equipped and decorated in accordance with our requirements;

1.2.9.3 the Managing Owner and Operating Manager (described in Section 1.5) have completed the initial training to our satisfaction;

1.2.9.4 the initial franchise fee and all other amounts due to us and our affiliates have been paid in full;

1.2.9.5 you have furnished us with certificates of insurance and copies of all insurance policies or such other evidence of insurance coverage as we reasonably request, as well as with copies of all bonds that may be required under state or local law; and

1.2.9.6 we have given you our written approval to open.

1.2.10 *Time of Opening.* You agree to begin commercial operations of the Franchised Business no later than nine months after the date of this Agreement. You acknowledge that time is of the essence.

1.2.11 *Relocation.* If you need to relocate the Site, you must submit to us a written proposal identifying for our approval at least one potential Site in the Territory, in the format we require, together with any other information we request. Following receipt of your written site proposal, we may make an on-site visit to the proposed Site at our expense if we believe that such a visit is necessary or desirable, although we are not required to make an on-site visit. We do not charge for the initial on-site evaluation, but we may charge for each additional on-site evaluation a reasonable fee plus our reasonable costs. In evaluating potential sites, you agree to consider our site selection criteria, which we will provide to you at your request. We will not unreasonably withhold or delay our approval of any site that meets our standards. Relocation will require a new build-out, renovation to the then current standards and design, lease modification, franchise agreement changes and a fee (as stated in Section 2.1.8.1) to cover our costs and expenses.

Section 1.3 – *Equipment; Supplies; Computer System*

1.3.1 *Equipment.* You agree to purchase from our affiliate, Auntea Jenny Supply Chain LLC (“AJ Supply Chain”), and to use and maintain in the Franchised Business the point of sale system and the equipment we specify. All equipment, technology devices, apps and services that you purchase or lease and use must also comply with our requirements, which may include specific items from specific suppliers. We provide specifications for other equipment, which you may purchase from any supplier.

1.3.2 *Exclusive Supplies.* You will sign an agreement acceptable to us with AJ Supply Chain simultaneously with your signing of this Agreement. You agree to purchase from AJ Supply Chain or another supplier we authorize, all of the tea, concentrates and flavoring ingredients, as well as packaging materials, cups, menu boards, signs and other items we specify.

1.3.3 *Other Suppliers.* Unless we specify otherwise, you may buy perishables from local suppliers you select. However, we specify your supplier of milk and fruit (to maintain our uniform quality and taste). You must buy a reasonable variety of all of these products to meet the demands of your customers. You agree to use in the operation of the Franchised Business only those brands and models or types of equipment, supplies, furniture, signs and other products and services that we have designated or approved.

for Auntea Jenny shops. We may require that you obtain equipment, fixtures, supplies, furniture, signs and other products and services only from our designated or approved suppliers. We may negotiate purchase agreements with suppliers for the benefit of franchisees, but we are under no obligation to do so. We are not obligated to pass on to you any discounts we receive from suppliers.

1.3.4 *Approval of Supplies and Suppliers.* If you propose to purchase any brand or model of equipment, supplies, furniture, signs or other products or services other than those then designated or approved by us, or to purchase from any supplier that is not then designated or approved by us, you must first notify us and submit to us sufficient written specifications, photographs, drawings, samples and other information we request to enable us to determine whether the proposed brand, model or supplier complies with our specifications and standards. We will have the right to require that our representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered either to us or to a third party designated by us for review and testing. We will use reasonable efforts to begin an investigation of the proposed supplier or product within 30 days of your request. We will notify you within 10 days after we complete our investigation whether we approve the proposed supplier or product. We are under no obligation to investigate or approve any supplies or supplier you request. If we do not approve the supplies or supplier within 60 days after your request, we will be deemed to have denied your request. We reserve the right to revoke our approval for any reason. We will not be required to approve any particular supplier nor to make available to you or to any prospective supplier any of our standards or specifications. In addition to our right to terminate this Agreement, we have the right to assess our then current prohibited product or service fee in the event you continue to purchase unapproved products or services after your receipt of oral, email or written notice from us advising you to cease your purchase of such products or services.

1.3.5 *Compensation from Suppliers.* We reserve the right to receive rebates, credits and other compensation from suppliers we designate or approve to provide goods or services to you based upon the purchases by you and other franchisees of goods and services from such suppliers. We may use such compensation for any purpose we deem appropriate, including to subsidize our operating costs.

1.3.6 *Purchasing or Distribution Cooperatives.* We may establish national or regional purchasing or distribution programs for the purchase or distribution of certain goods, materials or supplies at reduced prices. You agree to participate in any purchasing or distribution cooperatives that we may establish for the region where your Franchised Business is located.

1.3.7 *Point of Sale, Surveillance and Computer Systems.* You agree to install, maintain and use in the Franchised Business such computer hardware, software, point-of-sale, cash register and surveillance systems as we specify from time to time, using suppliers we specify or approve from time to time. We may require you to incur costs to purchase, lease and license computer hardware and software and to obtain service and support, and to maintain such systems and to upgrade and make such changes to such systems as we may specify in writing. We may manage the license with the point-of-sale provider we select for the system of Auntea Jenny shops nationally, and you agree to pay such provider's fee for such license either to us or to the provider, as we specify. We may change the point-of-sale provider in our discretion. You must also be equipped to accept electronic payments wirelessly from customers using their cell phones and such app as we may require, which may allow customers to accumulate reward points each time they make a purchase. You acknowledge that we cannot estimate the future costs that other providers may charge for the computer hardware, software, or surveillance systems or their maintenance or upgrades, or additions or modifications to these systems, and that these costs may not be fully amortizable over the remaining term of this Agreement. We have the right to charge a reasonable systems fee for software or systems modifications and enhancements specifically made for us that we license to you and other maintenance and support services that we or our affiliates furnish to you.

1.3.8 *Electronic Communications.* You agree to maintain adequate telephone service for the Franchised Business, including a dedicated telephone line with voicemail dedicated to the Franchised Business, and a high-speed Internet connection. You agree to use in the Franchised Business only such email

addresses as we authorize and you will comply with such policies as we prescribe from time to time for email use. We have the right to establish requirements that will permit us, as often as we deem appropriate, to access your computer system and to retrieve all information relating to the Franchised Business.

1.3.9 Operations Data. We will have continuing access to and use of all operations data, including specific products sold and other sales data, customer lists (including the name, address, telephone number and email address of each customer), surveillance video and all other content and data you collect or store on your computer and surveillance systems. We will periodically establish policies with respect to the use of such content and data, and you agree to comply with such policies. If we determine based on this data or any other evidence that you are using in the Franchised Business raw materials for the production of food products for sale to customers from any supplier other than AJ Supply Chain without our approval, we may instruct AJ Supply Chain to begin supplying such raw materials to you in quantities generally equal to the demonstrated shortfall in your orders. We will inform you that we have so instructed AJ Supply Chain, and you agree to pay all amounts invoiced by AJ Supply Chain for such materials.

1.3.10 No Warranty. We disclaim all express and implied warranties concerning any approved goods, materials or services, including, without limitation, any warranties as to merchantability, fitness for a particular purpose, availability, quality, pricing or profitability.

Section 1.4 – System Standards

1.4.1 Manual. During the term of this Agreement, we will give you access to the confidential operations manual, training and other materials that we generally furnish to franchisees from time to time for use in operating an Auntea Jenny shop (the “Manual”), in such media as we select, whether hard copy, through a secure Internet portal or otherwise. The Manual and the bulletins and other written materials we provide to you will contain mandatory and suggested specifications, standards, operating procedures, policies, methods and rules (“System Standards”) that we prescribe from time to time for the operation of an Auntea Jenny shop and information relating to your other obligations under this Agreement. The Manual is and will remain at all times our sole property. You acknowledge that the Manual contains confidential information that is highly valuable to us. You will protect the confidentiality of such information in accordance with Section 3.2.

1.4.2 System Modifications by Us. We may modify or change the System Standards from time to time, and upon notice to you, we may make additions to, deletions from or revisions in the Manual to reflect such modifications or changes. Such modifications or changes (“Capital Modifications”) may include, for example, the addition or discontinuation of products and services that you are required to sell at the Franchised Business and may obligate you to invest additional capital in the Franchised Business. No modification or change that we make will alter your rights or obligations under this Agreement. We will not obligate you to make any Capital Modification that you cannot reasonably amortize during the remaining term of this Agreement and with respect to leasehold improvements over the remaining term of the Lease unless we agree to extend the term of this Agreement or unless such investment is necessary in order to comply with applicable laws. You agree to adopt or comply with each new or changed procedure, policy, method and requirement as promptly as practicable after notice from us, and in any event within the time period we reasonably require.

1.4.3 System Modifications by You. You agree not to implement any modification or change in the System Standards or in the Franchised Business, other than modifications or changes we prescribe or recommend, without our prior written approval, which we may withhold in our discretion. If you or any of your employees makes an improvement to the System Standards or in the Franchised Business, such improvement will be our property. All recipe and menu changes you submit to us for our consideration and approval will become our property. We will have the right to use such improvements and recipe and menu changes anywhere and authorize our affiliates and other franchisees to use them. You assign to us all

rights to such improvements and you agree to sign any documents and to require that your employees sign any documents that we may reasonably request from time to time to evidence such assignment.

Section 1.5 – ***Personnel; Training and Support***

1.5.1 *Managing Owner.* The “Managing Owner” of your company is the person named as such in Schedule A. The Managing Owner is the primary person who will represent your company in your dealings with us and who will be responsible for overseeing and supervising the operation of the Franchised Business. The Managing Owner must be an owner of an equity interest in your business whom we approve. You agree that a shareholder, member or partner will serve as your Managing Owner throughout the term of this Agreement. You may not replace the Managing Owner without our prior written approval, which we may condition on, among other things, attendance and satisfactory completion by the prospective new Managing Owner of our initial training program at your expense.

1.5.2 *Operating Manager.* You will appoint at least one “Operating Manager”. The Managing Owner and Operating Manager may be the same person. Your Operating Manager may but need not be an owner of your company. You will ensure that the day-to-day operation of the Franchised Business is always actively managed by an Operating Manager who has attended and successfully completed such training as we may require from time to time. The Operating Manager will actively devote his or her full working time, attention and effort to the Franchised Business and provide direct, day to-day supervision of the operation of the Franchised Business. The Operating Manager will ensure at all times the proper levels of customer service in accordance with the Manual and this Agreement.

1.5.3 *Initial Training.* Before you begin operating the Franchised Business, we will train your Managing Owner, Operating Manager and staff in the operation of an Auntea Jenny shop. We charge for this training in accordance with Section 2.1.2. Your personnel must complete the initial training to our satisfaction before the Franchised Business opens. The training program consists of approximately eight days (64 hours) of training, some of which is conducted remotely online and some of which will consist of on-the-job training at your franchised shop. We schedule your training program to begin approximately two weeks before the scheduled opening of the Franchised Business.

1.5.4 *Opening Assistance.* We will provide approximately three to five days of on-site pre-opening and opening training, supervision and assistance at your Franchised Business.

1.5.5 *Ongoing Training.* At your request, and if we agree, we will furnish additional training. We may charge our then-current fees and expenses for additional or remedial training that is not mandatory or that we require because your personnel are not meeting our standards. We do not charge for mandatory training other than initial training except as described in this Section 1.5.5. or in Section 1.5.6. Our fees and expenses will vary based on the staff, location, and type of training. If any inspection of the Franchised Business indicates noncompliance with any System Standards or if we receive negative customer feedback, we may require previously trained and experienced managers and employees to attend refresher training courses at such times and locations as we designate, and we may send our personnel to your Franchised Business to administer the training. In such event, you agree to pay our then current fees for training and travel and living expenses for our personnel.

1.5.6 *Replacement Manager.* If the Managing Owner or Operating Manager does not satisfactorily complete the initial training program or if we determine that such person cannot satisfactorily complete the training program, or if the Managing Owner or Operating Manager ceases to act as such, then we must train, at your expense, a qualified replacement (who must be reasonably acceptable to us) within 30 days. Pending the appointment and training of a new Managing Owner or Operating Manager or if, in our judgment, the Franchised Business is not being managed properly, we have the right, but not the obligation, to appoint a manager for the Franchised Business and require you to pay in the manner described in Section 4.2.8.

1.5.7 Ongoing Support. We will provide support and guidance from time to time in the operation of the Franchised Business, either in person, by telephone, by email or in writing, through newsletters, franchisee group meetings or other means. We will provide regular operational reviews and advise you from time to time regarding the operation of the Franchised Business based on reports you submit to us and inspections or observations we make, to ensure compliance with the System Standards and to recommend improvements. At your request, and if we agree, we will furnish additional on-site guidance and assistance and, in such case, we may require you to pay our then-current fees and expenses. Your failure to implement any corrective action we require will constitute a material breach of this Agreement and may result in termination pursuant to Section 5.2.

1.5.8 Conferences. We may hold franchisee conferences from time to time to discuss ongoing changes in the industry, sales techniques, performance standards and other subjects. The Managing Owner of your company must attend these conferences. You will be responsible for the travel and living expenses of your Managing Owner and any other attendees from your company. We may charge you and other franchisees a fee sufficient to cover the reasonable costs of such conferences. These conferences will be held at a location we select.

1.5.9 Undertakings by Your Personnel. You agree to take appropriate steps to advise all of your employees and contractors of your obligations under this Agreement and to ensure compliance by all of your employees and contractors with our standards and our confidentiality and noncompete requirements. Each manager of the Franchised Business and each person who receives or otherwise has access to Confidential Information (as defined in Section 3.2.1) who has not signed the Guaranty described in Section 1.1.7 must sign a written confidentiality agreement with your company in a form acceptable to us before having access to Confidential Information. At our request, you will submit to us a copy of all such written agreements. You will ensure that each such person complies with the terms of such agreement during the period that he or she is employed by you. Any breach of such agreement by any such person will be deemed a breach of this Agreement.

1.5.10 Staff and Training. You will maintain a competent, conscientious, trained staff in numbers sufficient to promptly service customers in accordance with the System Standards. You will ensure that all members of your staff receive the training and any certification we require from sources we approve, at your expense. We may require or permit you to implement, at your expense, programs for the training of some or all of your managers and other employees. Before you implement any such program, we must certify that the program meets our standards. We may require you to obtain re-certification of your training programs from time to time, and we may withhold certification if we determine, in our discretion, that your training programs do not meet our standards.

1.5.11 Employer Obligations. You will have sole authority and control over the day-to-day operations of the Franchised Business and its employees. You will be solely responsible for recruiting and hiring the persons you employ to operate the Franchised Business. You will employ only persons of good character who will at all times conduct themselves in a competent and courteous manner in accordance with the image and reputation of the Auntea Jenny brand. You will also be responsible for their training, wages, taxes, benefits, safety, work schedules, work conditions, assignments, discipline and termination. You agree to comply with all workplace related laws. At no time will you or your employees be deemed to be employees of ours or of any of our affiliates. We will have no right or obligation to direct your employees.

Section 1.6 – *Operation of the Franchised Business*

1.6.1 Compliance with System Standards. You agree to operate the Franchised Business in strict accordance with all System Standards in effect from time to time. You understand and acknowledge that every detail of the Franchised Business is important to you, to us and to other Auntea Jenny franchisees, and that your compliance with all System Standards is necessary in order to increase the demand for the

services and products sold by all franchisees, and to protect the reputation and goodwill of the Auntea Jenny brand.

1.6.2 *Customer Service.* You will provide prompt, courteous and efficient service to all customers and treat all customers with respect. You will give prompt attention to all complaints from dissatisfied customers, if any, and use your best efforts to resolve such complaints as quickly as practicable, giving the customer the benefit of the doubt whenever feasible. You will provide customer service training to your employees. If we determine in our discretion that our intervention is necessary or desirable to protect the goodwill associated with the Auntea Jenny brand, or if we believe that you have failed adequately to address or resolve any customer complaints, we may, without your consent, resolve any complaints and charge you an amount sufficient to cover our reasonable costs and expenses in resolving the customer complaints, which amount you will pay us immediately on demand.

1.6.3 *Maintaining Goodwill.* You will do nothing that, in our reasonable opinion, might diminish or affect adversely our reputation or the goodwill of the Auntea Jenny brand. This obligation will survive this Agreement and continue in effect after the expiration or termination of this Agreement or your transfer in accordance with Article IV.

1.6.4 *Compliance with Laws.* You will comply with all applicable laws, rules and regulations in the operation of the Franchised Business and pay all taxes when due.

1.6.5 *Health and Safety Standards.* You will meet and maintain a high degree of sanitation and safety at the Shop Premises and the highest health standards and ratings with respect to the operation of the Franchised Business. In this connection you agree as follows:

1.6.5.1 If the municipality in which the Franchised Business is located maintains a rating system for or relating to the sanitary conditions of food establishments, you must maintain the highest rating possible for the Franchised Business. If you receive an inspection report or a warning, citation or notice that results in or may result in a lowering of such rating, you must provide us with a copy of such report, warning, citation or notice within 24 hours after you receive it. You agree to take immediate steps to restore the highest rating for the Franchised Business and to seek a reinspection or appeal as soon as possible in order to restore such rating.

1.6.5.2 If you receive an inspection report or a warning, citation, certificate or notice that requires you to repair, replace or further sanitize any item at the Shop Premises within 72 hours or less, you must provide us with a copy of such report, warning, citation, certificate or notice within 24 hours after you receive it.

1.6.5.3 In all cases not described in Sections 1.6.5.1 or 1.6.5.2, you will furnish us, within five days after you receive it, a copy of each inspection report, warning, citation, certificate, notice and rating resulting from an inspection conducted by any federal, state, county or municipal agency with jurisdiction over the Franchised Business.

1.6.5.4 You will notify us within 48 hours of the occurrence of any accident or injury that may adversely affect the operation of the Franchised Business or your financial condition, or that may give rise to liability or a claim against you or us.

1.6.6 *Maintaining the Premises.* You will at all times maintain the Shop Premises in excellent repair and condition. You will make such additions, alterations, repairs and replacements as may be required for that purpose, including, without limitation, such periodic repainting and replacement of obsolete signs, furnishings, equipment and décor as we may reasonably direct.

1.6.7 Remedial Work. If we notify you of remedial work that is necessary to correct an unhealthy or unsafe condition and you fail to commence such work in good faith or to complete such work within the period specified in our notice, we will have the right, in addition to all other remedies, but not the obligation, to enter the Shop Premises and complete the required repair or corrective work on your behalf. We will have no liability to you for any work performed. If we perform such work, we may require that you pay us in accordance with Section 2.1.8.5.

1.6.8 Remodeling. In addition to the requirements of Sections 1.6.6 and 1.6.7, we will require you periodically to make reasonable capital expenditures to remodel, modernize and redecorate the Shop Premises so that such premises reflect the then-current image of Auntea Jenny shops. All remodeling, modernization and redecoration will be deemed to be Capital Modifications as defined in Section 1.4.2, and they must be done in accordance with our standards as modified from time to time and with our prior written approval. We may require you to make additional Capital Modifications as a condition to renewal pursuant to Section 5.1.2.6. You will complete all required Capital Modifications within the time period we reasonably require in our written notice.

1.6.9 Use of the Premises. You will use the Shop Premises solely for the operation of the Franchised Business. You will not use the Shop Premises for any other purpose or activity during the term of this Agreement.

1.6.10 Hours of Operation. You agree to keep the Franchised Business operating during such hours and days as we may specify from time to time or, if different, during such hours as the Lease may require.

1.6.11 Payment Cards. You will honor all credit, charge, courtesy or cash cards or other credit devices we specify. You will also comply with the then current Payment Card Industry Data Security Standards (PCI/DSS) as those standards may be revised by the PCI Security Standards Council, LLC (see www.pcisecuritystandards.org) or successor organization, including (i) implementing (at your expense) all security requirements that the PCI Security Standards Council (or its successor) requires of a merchant that accepts payment by credit or debit cards, and (ii) participating in (at your expense) a standardized PCI/DSS compliance program that is provided by a PCI/DSS vendor, in each case, approved by us in our discretion. In the event you are unable to demonstrate full compliance, we may require you to engage the services of an approved vendor to assist you to maintain full compliance on an ongoing basis. Additionally, we may require you to use, and directly contract with, one or more approved third-party vendors for some or all of your managed firewall, other technology security compliance and card brand or government requirements related to the transmission and processing of credit card transactions and information. You will immediately notify us if you become aware of any breach, or suspected breach, of card holder data, Personally Identifiable Information (PII), confidential information, or trade secrets related to the Franchised Business, whether notice is provided by your credit card processor, by law enforcement or by any other party.

1.6.12 Entity Requirements. All certificates representing stock, membership or other ownership interests in your company must contain a legend stating that transfer of such stock, membership or other ownership interest is limited by the provisions of this Agreement. Your company's business must be confined to owning and operating the Franchised Business, and we may require you to include this restriction in your company's organizational documents. Upon our request, you will deliver to us copies of all organizational documents of your company, including articles of incorporation, by-laws, shareholders' agreement, limited liability company articles and operating agreement, partnership agreement, and any certificates we may request certifying any resolution of directors. Your company must remain in good standing throughout the term of this Agreement in its state of formation and, if different, in the state in which the Franchised Business is located.

1.6.13 *Franchisee Advisory Council.* We reserve the right to create one or more “Franchisee Advisory Councils” for the purpose of fostering communication among and between franchisees and us, and to advise us in establishing, modifying or discussing various policies applicable to Auntea Jenny franchisees. Franchisee Advisory Councils may also advise us with respect to advertising, public relations and marketing programs. If and when a Franchisee Advisory Council is created, we may require you to participate in its meetings and programs. A Franchisee Advisory Council may advise and make recommendations but will not act as a policy-making board and will have no authority whatsoever. We will determine or approve the rules under which any Franchisee Advisory Council functions. We may change the rules at any time and we may dissolve any Franchisee Advisory Council at any time. We may require you to pay dues to a Franchisee Advisory Council and you will pay all costs and expenses you incur in connection with your participation in any Franchisee Advisory Council, including the costs of transportation, lodging and meals.

1.6.14 *Customer Evaluations.* We reserve the right to institute programs for auditing customer satisfaction and other quality control measures, and to require you to pay the cost of such programs. You agree to present to your customers such evaluation forms as we periodically prescribe and to participate and request your customers to participate in any surveys performed by us or on our behalf.

1.6.15 *Inspections.* During the term of this Agreement, we or our designated representatives will have the right, at any time during your regular business hours, without prior notice to you, to enter upon the Shop Premises to inspect the premises; observe, photograph and videotape the operations of the Franchised Business for such periods as we deem necessary; remove samples of any products, materials or supplies for review and analysis; and to interview your personnel and customers. You agree to cooperate fully with us and our representatives during all inspections, observations, photographing, videotaping, product sample removal and interviews; and to take all steps reasonably necessary to correct any deficiencies in your compliance with System Standards or this Agreement within the time we specify. Your failure to implement any corrective action we require or your failure to pass two sequential inspections will constitute a material breach of this Agreement and may result in termination pursuant to Section 5.2. In addition to our right to terminate this Agreement, we have the right to assess a fee equal to our then current prohibited product fee in the event you continue to be out of compliance with the System Standards after your receipt of oral, email or written notice from us advising you of the nature of your default and requesting you to comply.

1.6.16 *Prices.* We reserve the right to require you to comply with reasonable and lawful restrictions on prices of specific menu items or goods or services offered and sold by the Franchised Business as required in the Manual or as we otherwise reasonably direct in writing from time to time.

1.6.17 *Payments to Suppliers.* You agree to pay all of your suppliers promptly in accordance with their payment terms and to comply in all other respects with your contractual obligations to third parties.

Section 1.7 - *Advertising, Promotion and Marketing*

1.7.1 *Signage.* You will post prominent signage relating to the Franchised Business in easily seen locations both inside and outside the Shop Premises. We will prescribe or approve from time to time in writing the size, form, color scheme, content and location of all such signage. You agree to display and maintain signs reflecting the current image of Auntea Jenny shops. You also agree to post any signs we designate to reflect the fact that you are a franchisee and the fact that franchise opportunities are available to others. You agree to discontinue the use of and destroy such signs as we declare to be obsolete within the reasonable time that we specify for such destruction, which will not be less than 30 days. Because of the importance of the Auntea Jenny shop image, you grant to us the right to enter the Shop Premises to remove and destroy unapproved or obsolete signs in the event that you have failed to do so within the time we specify.

1.7.2 Local Advertising. We do not require you to engage in any local advertising or to spend any minimum amount of money on local advertising or grand opening advertising. All local advertising, marketing and public relations programs and activities that you do, and all materials you use in such programs and activities, must conform to such standards and requirements as we may specify from time to time. All such materials must be clear, factual and not misleading. You agree to submit to us, before you use them, samples of all materials you intend to use that we have not prepared or previously approved. We will endeavor to deliver to you our written approval or disapproval within 15 days after our receipt of such materials, but we will not be liable for any delay. If we have not notified you of disapproval within 15 days after your submission for approval, the materials will be considered approved. We may withdraw our approval at any time. If we withdraw our approval, you will immediately cease the use, distribution and dissemination of such material. Any advertising, marketing or sales concepts, programs or materials that you propose or develop for the Franchised Business and we approve may be used by us and by our affiliates and other franchisees without any compensation to you. You agree to use all point-of-sale materials that we may supply to you from time to time, in the manner we prescribe.

1.7.3 National and Regional Advertising. We or our designee will exclusively maintain and administer any national and regional advertising, public relations and marketing programs and market research, including without limitation the System Website described in Section 1.8.1. We will also exclusively maintain and administer any and all programs financed by any Marketing Fund we may institute, as described below. You agree to participate in all national and regional programs we specify from time to time in the manner we specify.

1.7.4 Marketing Fund. We reserve the right to establish a public relations and advertising fund (the "Marketing Fund"), subsidized by fees paid by Auntea Jenny franchisees, for such advertising, promotion, marketing and public relations programs and materials as we deem necessary or appropriate. You agree to contribute to any such Marketing Fund in accordance with Section 2.1.6. Auntea Jenny shops that we or our affiliate own will not be required to contribute to the Marketing Fund.

1.7.5 Use of the Marketing Fund. The Marketing Fund will be used to enhance the recognition of the Marks and the patronage of Auntea Jenny shops nationally or regionally. We or our designee will have sole discretion over all matters relating to the Marketing Fund, including without limitation the creative concepts, materials and endorsements used, and the geographic, market and media placement and allocation. The Marketing Fund may be used to pay the costs of preparing and producing video, audio and written advertising materials; administering national and regional advertising programs, and engaging advertising, promotion and marketing agencies to assist us; website development and maintenance; toll-free telephone costs; and supporting public relations, market research and other advertising, promotion and marketing activities as well as personnel costs attributable to advertising and marketing. The Marketing Fund will not be used to defray any of our general operating expenses, except for such reasonable salaries, administrative costs, travel expenses and overhead as we may incur in activities related to the administration of the Marketing Fund and its programs, including, without limitation, conducting market research, preparing advertising, promotion and marketing materials and collecting and accounting for contributions to the Marketing Fund. The Marketing Fund will not be used to sell franchises, although we may use materials financed by the Marketing Fund on the System Website, which may advertise the Auntea Jenny franchise opportunity. The source of the advertising may be our in-house advertising department or an outside advertising agency. If we or our affiliates provide in-house advertising department services, we or our affiliates may be compensated from the Marketing Fund provided that such compensation is reasonable.

1.7.6 Accounting for the Marketing Fund. We will separately account for the Marketing Fund monies, but we may commingle such monies with our other monies or maintain the Marketing Fund monies in one or more separate accounts, in our discretion. We may spend on behalf of the Marketing Fund in any fiscal year an amount greater or less than the aggregate contribution of all Auntea Jenny shops to the Marketing Fund in that year, and the Marketing Fund may borrow from us or others at reasonable interest rates to cover deficits or invest any surplus for future use. All interest earned on monies contributed to the

Marketing Fund will be used to pay advertising costs before other assets of the Marketing Fund are expended. We will prepare annually, or cause to be prepared, a report or reports of the operations of the Marketing Fund. We will furnish such report to you for the most recent year upon your written request.

1.7.7 *Marketing Fund Entity.* We have the right, but not the obligation, to establish a separate entity to operate the Marketing Fund at any time. Any such entity will have all of the rights and duties with respect to the Marketing Fund that we have under this section. The Marketing Fund will not be deemed a trust, and we will have no fiduciary obligation to you in connection with the collection or administration of the Marketing Fund.

1.7.8 *Distribution of Advertising Expenditures.* Although we will endeavor to use the Marketing Fund to develop advertising and marketing materials and programs and to place advertising that will benefit all Auntea Jenny shops, we undertake no obligation to ensure that expenditures by the Marketing Fund will benefit all Auntea Jenny shops equally nor in proportion to contributions.

1.7.9 *Termination of Marketing Fund.* We reserve the right to defer, reduce or suspend contributions to the Marketing Fund, and, upon 30 days' prior notice to you, to suspend operations of the Marketing Fund for one or more periods of any length, and to terminate (and, if terminated, to reinstate) the Marketing Fund (and, if suspended, deferred or reduced, to reinstate such contributions). If the Marketing Fund is terminated, all unspent monies, if any, on the date of termination will be distributed to Auntea Jenny shops in proportion to their respective contributions to the Marketing Fund during the preceding twelve-month period.

1.7.10 *Cooperative Advertising.* We may establish and coordinate from time to time cooperative advertising, marketing and sales programs, customer satisfaction programs and other programs or activities among Auntea Jenny franchisees. These programs or activities may be on a local, regional or national basis. You will participate in such programs and activities as we may prescribe. Such programs and activities may (at our option) be paid for on any equitable basis by the participants.

1.7.11 *Internet Advertising.* Any Internet advertising you do must be submitted to us in advance for our approval in the manner described in Section 1.7.2. We may withhold our approval in our discretion. You may not own an Internet domain name that includes any of the Marks or variations of any of the Marks.

1.7.12 *Social Media.* You may promote the Franchised Business through social media and similar means provided that such promotion is consistent with the System Standards. If any of your employees, owners, officers, directors or managers posts objectionable content to a social media website, you will have 12 hours after notice from us to remove such content provided that it is capable of removal. If you fail to remove the objectionable content within this 12-hour period, we will have the right to terminate this Agreement. You agree to check for social media postings of your employees from time to time to be sure that any comments they write are permitted and are consistent with our policies.

1.7.13 *Customer Loyalty Apps, Gift Cards and Coupons.* You agree to participate in each customer loyalty app, gift card, discount coupon and similar program that we periodically establish or approve for use at Auntea Jenny shops either in your area or nationally, for all franchised Auntea Jenny shops that you or any affiliate of yours owns. You agree to timely execute and deliver such agreements and other documents as we may reasonably require to facilitate such programs. In connection with these obligations, you agree as follows:

1.7.13.1 You will not initiate any such program yourself without our prior written approval, which we may withhold in our discretion.

1.7.13.2 You will distribute customer loyalty cards and sell and issue gift cards and redeem them in accordance with procedures and policies we specify in the Manual or otherwise in writing.

1.7.13.3 You will honor purchases made by customers, all gift cards for Auntea Jenny shops, and other incentive and convenience programs that we may periodically institute, including but not limited to loyalty programs that we or an approved third party may operate, as well as mobile payment and customer affinity applications. For this purpose, you must purchase the software, hardware, and other equipment needed to facilitate the loyalty program, sell and process gift cards, and to maintain contact with the suppliers of gift cards and gift card processing services, as we may specify in writing in the Manual or otherwise. You will also pay such transaction fees as the vendors of the gift card system may require.

1.7.13.4 We will manage any customer loyalty mobile app or program with the provider we select for the system of Auntea Jenny shops in your area or nationally. You will participate in each such program in accordance with procedures and policies we specify in the Manual or otherwise in writing. Either (i) we will remit to you a net payment after deducting the provider's fee for such service and for such reasonable additional fees for our services that are stated in the Manual or otherwise, or (ii) you will reimburse us for such fees. In the event that we establish an ACH payment system in which we or our affiliate receive payments from customers directly through loyalty apps or otherwise, we will pay you periodically such net amounts from a bank account of ours or an affiliate of ours, or from the service provider's account.

1.7.13.5 In any loyalty app, gift card or similar program in which we or our affiliate periodically remits payments for purchases made through the app to the franchisee at whose franchised shop the purchases were made, you are responsible for verifying the identities of the customers listed in the periodic statements as actual customers and users of the loyalty app. You will bear the risk of fraudulent misuse of a customer's loyalty app identification. In the event that we learn that we have made a payment to you that is based on one or more fraudulent misuses of a customer's identification in a loyalty app or other program, you will bear the loss and reimburse us for the amounts of all such payments, including but not limited to amounts spent for investigation and pursuing legal remedies. In addition, we will have the right to deduct such losses from our payments to you and to recover them via ACH in those cases in which we have already remitted such amounts to you to the extent permitted by law and by each bank's ACH rules. You agree to take all reasonable steps that we request of you in furtherance of our recovery via ACH, including but not limited to timely completing any affidavits and ACH return requests that we may send to you. You and we will cooperate with any internal and insurance investigations, criminal and civil legal proceedings, and other actions intended to reduce or eliminate fraud in the loyalty program.

1.7.14 *Advertising the Sale of Franchises.* We have the right to advertise the Auntea Jenny franchise opportunity on the menu and in your Franchised Business.

1.7.15 *Public Relations.* You agree to refer all inquiries from news reporters regarding the Franchised Business or the System to the person we designate as the public relations spokesperson for the Auntea Jenny brand. You may not discuss any aspect of the Franchised Business or the System with any news reporter without our prior written approval in each instance.

Section 1.8 – **Website**

1.8.1 *System Website.* We maintain one or more websites to advertise, market and promote Auntea Jenny shops, the products sold at Auntea Jenny shops and the Auntea Jenny franchise opportunity (the "System Website"). The System Website lists the locations of Auntea Jenny shops. We own all intellectual property and other rights in the System Website and all information it contains.

1.8.2 *Promotion of the System Website.* All advertising, marketing and promotional materials that you develop for the Franchised Business must promote the System Website's URL in the manner we specify.

1.8.3 *Web Portal.* In addition to the System Website, we may (but we will not be obligated to) maintain a secure web portal, extranet or other system for all Auntea Jenny franchisees that will not be available to the general public. We may use this portal, extranet or system to provide support for franchisees and to allow for online franchise discussion groups. You agree both during and after the term of this Agreement not to disclose your means of access to such portal to any person or entity who is not under your direct supervision and who does not have a need to have access. You agree to inform all persons under your supervision of this obligation of confidentiality. You further agree to comply with all guidelines and policies we establish from time to time for the use of this portal, extranet or system.

ARTICLE II – FEES; PAYMENTS; RECORDS; INSPECTIONS

Section 2.1 – *Fees and Reports*

2.1.1 *Initial Fee.* Upon your signing of this Agreement, you will pay us an initial fee in the amount stated in Schedule A of this Agreement. The initial fee is fully earned by us at the time we grant the franchise and is not refundable under any circumstances.

2.1.2 *Training Fee.* Before you begin initial training, you will pay us a training fee of \$6,000 for the training described in Section 1.5.3. We may impose additional training fees from time to time in accordance with Sections 1.5.5, 1.5.6 and 1.5.7.

2.1.3 *Royalty.* You agree to pay us a royalty ("Royalty") in the amount of 1% of the Gross Sales (as defined below) of the Franchised Business each Accounting Period (defined below) through December 31, 2026. The Royalty will be 6% of the Gross Sales of the Franchised Business for each Accounting Period starting in January 2027.

2.1.4 *Definition of Gross Sales.* As used in this Agreement, the term "Gross Sales" or "Gross Sales of the Franchised Business" means all sales made in the operation of the Franchised Business, whether collected or not, including, but not limited to, all amounts you receive at or away from the Shop Premises, whether from cash, check, credit or debit card (with no deduction for card company charges), near field communications (such as Apple Pay or Google Pay), proceeds of any business interruption insurance policies, and revenue from any other source. It does not include sales taxes collected from customers for payment to the appropriate taxing authorities, or amounts refunded or credited to customers.

2.1.5 *Definition of Accounting Period.* "Accounting Period" means the specific period that we designate from time to time in the Manual or otherwise in writing for purposes of your financial reporting and payment obligations described in this Agreement. The Accounting Period may be a calendar month, but we may change the Accounting Period or designate different Accounting Periods for different purposes in our discretion as changes the System Standards pursuant to Section 1.4.2.

2.1.6 *Marketing Fee.* If we create a Marketing Fund as described in Section 1.7.4 through 1.7.7, we reserve the right, commencing upon at least 30 days' notice to you, to require you to pay us a marketing fee each Accounting Period in the amount of up to 2% of the Gross Sales of the Franchised Business during the prior Accounting Period (the "Marketing Fee"). The Marketing Fee will finance the Marketing Fund described in Section 1.7.4.

2.1.7 *Technology Fee.* We also reserve the right, commencing upon at least 30 days' notice to you, to require you to pay us a technology fee in the amount we specify from time to time, which fee will not exceed \$4,500 each year, plus any amount necessary to cover the third-party cost to us of the technology.

The technology fee pays for your use of our customer rewards program platform and such other technology services as we may require you to use.

2.1.8 *Other Fees.* In addition to any fees described elsewhere in this Agreement, you agree to pay us the following fees upon the occurrence of the following events:

2.1.8.1 If you relocate the Franchised Business with our approval pursuant to Section 1.2.7, we may charge you a relocation fee of \$5,000 plus any reasonable expenses we incur.

2.1.8.2 If we obtain insurance on your behalf in accordance with Section 6.3.7, you will pay us an amount equal to the premiums and related costs for the required insurance in full upon receipt of the invoice, plus a 25% service charge.

2.1.8.3 We may charge our then-current fees and expenses if we provide additional or remedial training that is not mandatory or that we require because your personnel are not meeting our standards, or if you request and we agree to furnish additional on-site training, guidance or assistance in accordance with Sections 1.5.5 or 1.5.7, or if training is required because of your transfer the Franchised Business pursuant to Section 4.2.

2.1.8.4 If we provide customer service in accordance with Section 1.6.2 because of your failure adequately to address or resolve any customer complaints, we may charge you our reasonable costs and expenses in resolving such complaints;

2.1.8.5 If we perform work to correct an unhealthy or unsafe condition at your Auntea Jenny shop because you fail to perform the work after we notify you pursuant to Section 1.6.7, we may require you to pay for labor and materials plus a 25% service charge and an amount sufficient to reimburse us for our actual direct costs to supervise, perform and inspect the work and procure any replacement items, including labor, materials, transportation, lodging, meals, contractor fees and other direct expenses, all of which will be due and payable upon your receipt of our invoice.

2.1.8.6 If we perform an inspection or audit that is made necessary by your failure to furnish any information we require or if an audit or inspection reveals an understatement of Gross Sales greater than 2%, then we may require you to reimburse us for the reasonable cost of such inspection or audit in accordance with Section 2.2.6.

2.1.8.7 If the Operating Manager ceases active management of the Franchised Business or if the Franchised Business is not being managed properly, then pending the appointment and training of a new Operating Manager, we may appoint a manager until you appoint a trained replacement manager and we may require you to pay in the manner described in Section 4.2.8.

2.1.8.8 If you renew the franchise pursuant to Section 5.1.2, you agree to pay us a renewal fee in an amount equal to 50% of the then-current initial fee, prorated if you elect to renew for a shorter period than the full renewal term.

2.1.8.9 If any required payment you make to us is rejected by your bank because of insufficient funds, you will pay us \$50 for each occurrence.

2.1.8.10 If you continue to sell or purchase an unauthorized product or service or you continue to be out of compliance with the System Standards after we have notified you to cease such sales or purchases or to comply with the System Standards, you will pay us our then current fee pursuant to Section 1.1.4, 1.3.4 or 1.6.15. Such fee as of the date of this Agreement is \$300 per day. You acknowledge and agree that your continued sale or purchase of unauthorized products or services or your continued noncompliance with System Standards after we have notified

you to cease will cause us to incur damages, the actual amount of which would be speculative and difficult to calculate. You acknowledge that \$300 per day from the date you receive our notice is a fair and reasonable estimate of the foreseeable damages that we are likely to incur.

2.1.8.11 If we hold franchisee conferences as described in Section 1.5.8, we may charge you a fee sufficient to cover the reasonable costs of such conferences.

2.1.8.12 You will reimburse us for our reasonable costs and expenses (including legal and accounting fees) of reviewing any proposed offering or exempt private placement of stock or partnership or other interests in your company or any of your affiliates as described in Section 4.2.9.

2.1.9 *Inflation.* Fees stated in this Section 2.1 as dollar amounts may be increased from time to time to reflect increases in the Metropolitan Area Consumer Price Index for All Urban Consumers from the date of this Agreement, as published by the U.S. Department of Labor, or a successor index.

2.1.10 *Reports.* You will submit to us an electronic report within three days after the end of each Accounting Period setting forth your true and correct Gross Sales for such Accounting Period in such detail and in such manner as we require from time to time. We have the right, upon notice to you, to require you to submit to us, in digital format, (i) monthly and annual balance sheets and income statements for the Franchised Business, prepared in accordance with generally accepted accounting principles consistently applied, in the format we prescribe, and verified as correct in the manner we prescribe from time to time; and (ii) reviewed financial statements prepared annually.

2.1.11 *Payment.* You will pay us the Royalty and Marketing Fee (if any) for each Accounting Period at the time you submit each report to us in accordance with Section 2.1.10, based on Gross Sales during the most recent Accounting Period, along with the technology fee described in Section 2.1.7. You will pay us for all other amounts upon your receipt of our invoice, including but not limited to reimbursements to us for amounts we spend on your behalf, amounts you incur for training, and purchases we make at your request or on your behalf. Time is of the essence with respect to all payments you are to make to us. You will pay all sums you owe to us or to any of our affiliates electronically through one or more depository transfer accounts or using such methods as we may designate in the Manual or otherwise in writing. At our request, you agree to execute such documents as we determine are necessary for us to process electronic funds transfers from your designated bank account for payment of the fees you owe to us. You will bear all costs to establish and maintain the required electronic payment system, and all bank service charges. You will comply with our procedures for electronic payment, which we may modify from time to time, including the maintenance of such minimum bank account balance as we specify from time to time.

2.1.12 *Interest on Late Payments.* Any payment that is not made by the date it is due will be subject to interest at the rate of 1.5% per month or the highest rate allowed by law, whichever is less. If no due date is stated, interest begins to run 10 days after billing. Your failure to pay all amounts when due constitutes grounds for termination of this Agreement, as provided in Section 5.2.2.4. Interest will accrue whether or not we exercise our right to terminate. You acknowledge that this subsection does not constitute our agreement to accept any delay in payments or our commitment to extend credit to you or otherwise finance your operation of the Franchised Business.

2.1.13 *No Setoff.* Your obligations to make payments in accordance with this Agreement and any other agreement with us or any of our affiliates with respect to the Franchised Business are not subject to any abatement, reduction, setoff, defense or counterclaim due or alleged to be due for any past, present or future claim that you have or may have against us or any of our affiliates.

2.1.14 *Application of Payments.* All payments you make to us will be applied in such order as we may designate from time to time, regardless of any designation you may make with respect to the

application of such payments, even if you specifically make payment conditional on our acceptance of your designated application or instructions.

2.1.15 *Taxes.* In the event that we are required to collect and pay any sales or use tax from you for payment to any tax authority based on your purchase of the franchise or any items relating to the franchise, or based on any continuing payments you make to us under this Agreement, you will pay such amounts to us upon receipt of our invoice.

Section 2.2 – ***Records; Inspection***

2.2.1 *Records.* You agree to maintain at the Shop Premises full, complete and accurate records of the Franchised Business. You will maintain bookkeeping, accounting and records retention systems conforming to the requirements that we prescribe from time to time, and such other records as we prescribe from time to time relating to the operations of the Franchised Business. You agree to maintain and to furnish to us upon request complete copies of all income, sales, value added, use and service tax returns, and employee withholding, workers' compensation and similar reports filed by you reflecting activities of the Franchised Business. You agree to preserve all records described in this Section 2.2.1 for a period of at least five years after their creation, or such longer period as may be required by law, during both the term and each renewal term of this Agreement and following the expiration or termination of this Agreement.

2.2.2 *Access to Systems.* We may use the computer and point-of-sale systems described in Section 1.3.7 to collect electronically the reports referred to in Section 2.1.10 and the records referred to in Section 2.2.1. We may use the content and data generated by the surveillance system described in Section 1.3.7 for any purpose, including to monitor customer service and the operation of the Franchised Business. We have the right to establish requirements that will permit us, as often as we deem appropriate, to access all cash registers, surveillance and computer terminals and your computer system and to retrieve all information relating to the Franchised Business.

2.2.3 *Right to Inspect.* During the term of this Agreement, we or our designated representatives will also have the right, at any time during your regular business hours, without prior notice to you, to enter upon the Shop Premises to inspect the books and records of the Franchised Business and take excerpts. You agree to cooperate fully with us and our representatives during all such inspections.

2.2.4 *Right to Audit.* We have the right at any time during your regular business hours, without prior notice to you, to inspect and audit the records of the Franchised Business, or to cause such records to be inspected and audited. This right includes the right to access your computer systems.

2.2.5 *Discrepancies.* If any inspection or audit demonstrates an understatement of Gross Sales, you will pay the deficiency to us within 15 days after you receive the inspection or audit report.

2.2.6 *Cost.* Inspections and audits will be at our expense except as stated in this section. If an inspection or audit is made necessary by your failure to furnish, or your delay in furnishing, reports, supporting records, other information or financial statements we require, or if an understatement of Gross Sales for the period of any audit or inspection is determined by any such audit or inspection to be greater than 2%, you agree, within 15 days after our request, to reimburse us for the cost of such inspection or audit, including, without limitation, legal and accounting fees, and the travel expenses, including lodging, meals and per diem charges of the inspecting or auditing personnel. These remedies are in addition to our other remedies and rights under this Agreement and applicable law.

2.2.7 *Survival of Inspection and Audit Rights.* Our rights to inspect the books and records of the Franchised Business and to take excerpts, and to audit the Franchised Business, will continue for a period of six months following the expiration or termination of this Agreement; but we may only inspect such books

and records or perform any such audit following the expiration or termination of this Agreement upon at least 24 hours' prior notice to you.

2.2.8 Disclosure of Your Financial Information. We have the right to disclose data we receive from you regarding the Franchised Business without identifying you. If we are required by law to disclose any data we receive from you regarding the Franchised Business and such disclosure will identify you, we will notify you of the disclosure to be made and, if you request, endeavor to obtain legally binding assurance that those who receive such disclosure will be bound by an obligation of confidentiality. We also have the right to disclose data regarding the Franchised Business to any prospective transferee of the Franchised Business you identify to us.

Section 2.3 – Security Deposit

2.3.1 Payment of Security Deposit. Upon your signing of this Agreement, you will pay us a security deposit of \$15,000 in addition to the fees described above.

2.3.2 – Use of the Security Deposit. If you default in your performance under the franchise agreement or any other agreement between you and us or between you and AJ Supply Chain or any of our other affiliates, we may use the security deposit to cure the default or to compensate us and our affiliates for all damages or expenses we incur as a result of your default. We may also use the security deposit to pay any late charges, interest, penalties, and fees and any costs and charges due to us for our performing obligations that you do not perform and that we or our affiliate perform on your behalf. If we use any part of the security deposit before the franchise agreement expires, you will be required to restore the \$15,000 balance. If monies you owe to us become due on or after termination or expiration of the franchise agreement for any reason, we may use all or any part of the security deposit to pay those sums.

2.3.3 – Return of the Security Deposit. Upon the expiration or termination of this Agreement, we may use the security deposit to pay for any final balance you may owe to us or our affiliates. Within 30 days after the expiration or termination of this Agreement, we will return to you any remaining balance of the security deposit.

ARTICLE III - PROPRIETARY RIGHTS; CONFIDENTIALITY; NONCOMPETITION

Section 3.1 – Our Copyrights, Design Patents and Trademarks

3.1.1 Our Copyrights and Design Patents. We and our affiliates are the sole owners of all copyrights in the Manual and all supplemental materials, all logos or other materials that are the subject of design patents, and other materials identified as ours that we provide to you, and in all advertising and promotional material created by or for us. You may not copy any such materials, nor create derivative works of any such materials, except as we specifically authorize or permit.

3.1.2 Our Trademarks. Your right to use the Marks is derived solely from this Agreement and is limited to your operation of the Franchised Business at and from the Shop Premises pursuant to and in compliance with this Agreement and all System Standards. Your unauthorized use of the Marks will be a breach of this Agreement and an infringement of our rights in and to the Marks. You acknowledge and agree that your use of the Marks and any goodwill established by such use will be exclusively for our benefit and that this Agreement does not confer any goodwill or other interests in the Marks upon you (other than the right to operate the Franchised Business in compliance with this Agreement). You will not contest or assist others in contesting our right to use the Marks.

3.1.3 Proper Use of the Marks. You may not use the Marks except as authorized under this Agreement. You understand that any use of the Marks other than as expressly authorized by this Agreement, without our prior written consent, may constitute infringement and that your right to use the Marks

does not extend beyond the expiration or termination of this Agreement. You agree to use the Marks as the sole identification of the Franchised Business, except that you agree to identify yourself as the independent owner of the Franchised Business in the manner we prescribe. You may not use any of the Marks or any word similar to any of the Marks as part of any corporate or legal business name or with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos licensed to you under this Agreement), or in any modified form, nor may you use any Mark in connection with the performance or sale of any unauthorized products or services or in any other manner we have not expressly authorized in writing. You may not use any Mark as part of a domain name or electronic address of a website. You agree to display the Marks prominently in the manner we prescribe at the Franchised Business and on business forms and advertising materials. You agree to give such notices of trademark registrations and our ownership of the Marks as we specify from time to time and to obtain any fictitious or assumed business name registrations required under applicable law.

3.1.4 *Modifying the Marks.* We will have the right to modify or change the Marks from time to time upon written notice to you specifically referring to this Agreement and describing such modification or change. Such right will include the right to use a trademark that is entirely different from “Auntea Jenny” and the right to require you to use one or more additional logos and marks; but we will make all such changes in the Marks only for good faith marketing, trademark or other reasons on a uniform basis for all Auntea Jenny franchisees in the U.S. You agree, upon notice from us, to regard each such modified, changed, new or additional trademark as being within the definition of “Marks” under this Agreement, and to adopt and use each such trademark at your expense in accordance with the terms and conditions of this Agreement. We will not be obligated to reimburse you for any loss of revenue or expenses caused by any such modification or change.

3.1.5 *Infringement.* You agree to notify us of any infringement or apparent infringement of any Mark or any copyright or design patent owned by us or any of our affiliates, by any third party, as soon as such apparent infringement comes to your attention. In addition, you agree to notify us immediately of any challenge to your use of any Mark or of any of our copyrights or design patents and of any claim by any person of any rights in any Mark or any of our copyrights or design patents. You agree not to communicate with any person other than us, our attorneys and your attorneys in connection with any such infringement, challenge or claim. We have sole discretion to take such action as we deem appropriate with respect to such apparent infringement, challenge or claim and the right to control exclusively any litigation, U.S. Patent and Trademark Office proceeding or any other administrative proceeding arising out of any such infringement, challenge or claim or otherwise relating to any Mark, our design patents or our copyrights. You agree not to initiate any such action or proceeding, but to cooperate with us in any such action or proceeding and to sign any and all instruments and documents, render such assistance and do such acts and things as may be necessary or advisable, in the opinion of our attorneys, to protect and maintain our interests in any litigation or any proceeding at the Patent and Trademark Office, or otherwise to protect and maintain our interests in the Marks, design patents or copyrights. In the event any sum is recovered based on our claim of infringement, we will have the exclusive right to such recovery.

Section 3.2 – *Confidentiality of Our Information*

3.2.1 *Confidential Information.* We possess and will continue to develop and acquire certain confidential information relating to the development and operation of Auntea Jenny shops (“Confidential Information”). Confidential Information means information that is not generally available to the public and that has commercial value to us or to the Franchised Business, or that is personally identifiable information of customers. “Confidential Information” includes, without limitation:

3.2.1.1 product recipes, mixes and formulas;

3.2.1.2 the contents of the Manual and all supplemental materials;

- 3.2.1.3 the content of our training and assistance;
- 3.2.1.4 site selection criteria;
- 3.2.1.5 sales and marketing techniques;
- 3.2.1.6 customer lists;
- 3.2.1.7 planned advertising and marketing programs;
- 3.2.1.8 current, past and planned research, development and test programs for products, services and operations;
- 3.2.1.9 specifications for and suppliers of certain equipment, fixtures, furnishings, signs, materials and supplies;
- 3.2.1.10 the operating results and financial performance of Auntea Jenny shops other than the Franchised Business;
- 3.2.1.11 the videos and images recorded by the surveillance system (except to the extent necessary to prove wrongful acts);
- 3.2.1.12 usernames and passwords allowing access to protected areas on our website or computer network; and
- 3.2.1.13 all improvements and modifications to the System Standards or in the Franchised Business developed by you or your personnel.

You will not acquire any interest in any Confidential Information other than the right to use Confidential Information disclosed to you to enable you to operate the Franchised Business during the term of this Agreement.

3.2.2 *Nondisclosure and Non-Use.* At all times both during the term and after the expiration or termination of this Agreement, (i) you will keep all Confidential Information in the strictest confidence and you will not disclose any Confidential Information to any person other than your employees, agents or representatives who have a legitimate need to know such information and who are informed of this obligation of confidentiality and have signed either a Guaranty as described in Section 1.1.7 or a written confidentiality agreement with your company in a form acceptable to us, and (ii) you will not use any Confidential Information except for the purpose of fulfilling your obligations under this Agreement. You will immediately notify us upon discovering any loss or unauthorized disclosure by any of your owners, managers, employees, contractors, agents or representatives of any Confidential Information.

3.2.3 *Isolated Disclosures.* Notwithstanding the foregoing, we will not deem you to be in default of this Agreement as a result of isolated incidents of disclosure of Confidential Information by an employee other than an owner, provided that you have taken reasonable steps to prevent such disclosure, including but not limited to the steps a reasonable and prudent owner of confidential and proprietary information would take to prevent disclosure of such information by his or her employees, and further provided that you pursue all reasonable legal and equitable remedies against such employee for such disclosure of Confidential information.

3.2.4 *Exceptions.* The obligations of confidentiality and non-use described above will not apply to information that: (i) you can clearly show was known to you on a non-confidential basis prior to its disclosure to you by us; (ii) is or becomes generally known among Competitive Businesses (as defined in Section

3.3.1) in the U.S. other than through disclosure by you or any of your employees, contractors, agents or representatives; or (iii) you can clearly show was received by you on a nonconfidential basis from a third party that is not prohibited from disclosing such information by a legal, contractual or fiduciary obligation.

3.2.5 *Disclosures Required by Law.* In the event that you become legally compelled to disclose any Confidential Information, you will (i) promptly notify us that such information is required to be disclosed, (ii) use your best efforts to obtain legally binding assurance that all those who receive disclosure of such information are bound by an obligation of confidentiality, and (iii) disclose only that portion of the Confidential Information that your legal counsel advises is legally required to be disclosed.

3.2.6 *Return of Information.* Upon our request, you will promptly return to us all Confidential Information and all copies in your possession or under your control, and you will destroy all copies on your computers and other digital storage devices.

Section 3.3 – **Noncompetition**

3.3.1 *Definition of Competitive Business.* As used in this Agreement, the term “Competitive Business” means any business that sells, or grants franchises or licenses to others to operate, a retail business that sells, a variety of freshly-made and unique teas, including fruit and milk teas with grain toppings, to consumers for on-site consumption or carry-out or delivery that derives 5% of more of its revenues from such business (other than an Auntea Jenny shop operated under a franchise agreement with us or our affiliate). The restrictions of this section will not apply to the ownership, solely as an investment, of publicly traded securities that constitute less than 1% of a class of ownership interests of the issuing company.

3.3.2 *Noncompetition During the Term.* You agree that during the term of this Agreement and any renewal of this Agreement, you will not, directly or indirectly (through one of your company's affiliates or owners or a member of the immediate family of any owner), either (i) have a direct or indirect interest in a Competitive Business located or operating anywhere in the U.S. or in any other country in which an Auntea Jenny shop operates; (ii) perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business, wherever located or operating; or (iii) divert or attempt to divert any business or customer of the Franchised Business to any Competitive Business in any manner.

3.3.3 *Noncompetition After Termination.* Upon the expiration and nonrenewal of this Agreement, your termination of this Agreement without cause, our termination of this Agreement in accordance with its terms and conditions, or your Transfer (as defined in Section 4.2.2), you and your company's owners agree for a period of two years following such expiration, termination or Transfer, that you will not, directly or indirectly (through one of your company's affiliates or owners or a member of the immediate family of any owner), either (i) have a direct or indirect ownership interest in a Competitive Business located or operating within 5 miles of the Site or of any Auntea Jenny shop anywhere in the world at the time of such expiration, termination or Transfer; (ii) perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for any such Competitive Business; or (iii) divert or attempt to divert any business or customer of the Franchised Business to any competitor in any manner.

3.3.4 *Reasonableness of Restrictions.* You acknowledge that the time and geographical limitations in Sections 3.3.2 and 3.3.3 are reasonable and do not impose a greater restraint than is necessary to protect our goodwill or other business interests. If any of the limitation in such sections is held unreasonable or unenforceable by a court or governmental agency, then such limitation will be deemed to be reduced as necessary to enable the court or agency to enforce such limitation to the fullest extent permitted under applicable law.

ARTICLE IV - TRANSFER

Section 4.1 – *Transfer by Us*

We may sell, assign or transfer our rights and obligations under this Agreement to any party, without your approval and without prior notice to you, provided that the buyer, assignee or transferee agrees in writing to assume all of our obligations under this Agreement. We will not be liable for obligations of the transferee arising after the date of transfer.

Section 4.2 – *Transfer by You*

4.2.1 No Transfer Without Our Approval. This Agreement is personal to you. We have granted the franchise to you in reliance upon our perceptions of your (or your company's owners') individual or collective character, skill, aptitude, business ability and financial capacity. Accordingly, you may make no Transfer (as defined below) without our prior written approval. Any purported Transfer without such approval will be a breach of this Agreement and will entitle us to terminate this Agreement as provided below. Our consent to a Transfer does not constitute a representation as to the fairness of the terms of any contract between you or your company's owners and the transferee, a guaranty of the successful operation of the Franchised Business by the transferee or a waiver of any claims we may have against you or your company's owners or of our right to demand the transferee's compliance with any of the terms or conditions of this Agreement.

4.2.2 Definition of Transfer. As used in this Agreement, the term "Transfer" means your (or your company's owners') voluntary, involuntary, direct or indirect assignment, sale, gift, pledge or other disposition of: (i) any legal or beneficial ownership or voting interest in your company; (ii) this Agreement, (iii) any material asset of the Franchised Business; or (iv) the lease or ownership of the Shop Premises (unless we agree to a relocation or unless the transfer of ownership does not affect your leasehold rights and obligations). "Transfer" also includes (v) the merger or consolidation of your company; (vi) the issuance of additional securities or other ownership or voting interests of your company, and (vii) the admission or departure of a partner or owner; (viii) transfers resulting from proceedings under the U.S. Bankruptcy Code or any similar law; (ix) transfers resulting from divorce; and (x) any grant of a security interest to a third party without our approval.

4.2.3 Notice of Transfer. You agree to notify us of any planned Transfer, and to provide us with any information we may reasonably request in order to permit us to evaluate the planned Transfer. If we do not exercise our right of first refusal under Section 4.3, we agree not to unreasonably withhold our approval of a Transfer. If we approve the Transfer, then you will be free, for 90 days following such approval, to effect the Transfer to the person or persons approved by us.

4.2.4 Conditions to Transfer. The following conditions will apply with respect to any Transfer except as described in Section 4.2.5:

4.2.4.1 The proposed transferee, its managers, directors, officers and owners, must be individuals of good character with sufficient business experience, aptitude, and financial resources to operate the Franchised Business and otherwise meet our then applicable standards for a new Auntea Jenny franchisee.

4.2.4.2 The proposed transferee may not be or be owned directly or indirectly by a Competitive Business, nor may any of the proposed transferee's managers, directors, officers or owners perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business.

4.2.4.3 You will cure any default under this Agreement that we will have notified to you.

4.2.4.4 You will pay all fees and any other amounts then owed to us or our affiliates.

4.2.4.5 If the Lease requires it, the landlord must consent to the assignment of the Lease to the transferee.

4.2.4.6 We may require that the transferee or your company under ownership by the transferee, at the time of closing, enter into our then current form of franchise agreement amended to shorten the initial term to conform to the remaining term of this Agreement and to remove the requirement to pay the initial fee, and each Guarantor under the new franchise agreement will have signed our then-current form of guaranty.

4.2.4.7 You and we will execute a written Consent to Transfer Agreement terminating this Agreement or an amendment to this Agreement acknowledging a change in ownership. Any such agreement or amendment must be in a form satisfactory to us and will include a general release of any claims against us and our affiliates substantially in the form of Section 7.14 of this Agreement and an acknowledgment of your obligations following the Transfer pursuant to Sections 3.2 and 3.3 of this Agreement.

4.2.4.8 You will upgrade and remodel the Shop Premises as we may require to conform to the then-current standards and specifications of a new franchised business then being established, and you will complete the upgrading and remodeling within the time specified by us.

4.2.4.9 We will have approved the material terms and conditions of such transfer and determined that the price and terms of payment will not adversely affect the transferee's operation of the Franchised Business.

4.2.4.10 If you or your owners finance any part of the sale price of the transferred interest, you or your owners will have agreed that all of the transferee's obligations pursuant to any promissory notes, agreements or security interests are subordinate to the transferee's obligation to pay Royalties, Marketing Fees and other amounts due to us.

4.2.4.11 After our authorization of the Transfer and your compliance with all of the requirements listed above, you will give us not less than five business days' written notice of the date, time and place of the closing of such Transfer, and you will give us an opportunity to have a representative present at the closing.

4.2.4.12 If the transaction is brokered by a third-party or by one of our authorized sales representatives, you or the proposed transferee will be responsible for paying broker fees at the same commission rate that we pay such broker or sales representatives.

4.2.4.14 If the transaction is a securities offering as described in Section 4.2.9, you must pay us the greater of: (i) 50% of our then-current initial franchise fee; or (ii) our reasonable costs and expenses associated with reviewing the proposed offering.

4.2.5 *Transfer to a Company you Control.* Upon prior notice to us and the signing by the relevant parties of assignment documents acceptable to us, you may transfer this Agreement to an entity that conducts no business other than the Franchised Business in which you maintain management control and of which you or all of the owners of your company own and control 100% of the equity and voting power, provided that all assets of the Franchised Business are owned, and the entire Franchised Business is conducted by, a single entity. The requirements of Sections 4.2.4.6 through 4.2.4.13 will not apply to any such transfer. You will remain personally liable under this Agreement after such Transfer by signing a Guaranty as described in Section 1.1.7.

4.2.6 *Transfer Upon Death or Disability.* You or your executor or other personal representative must promptly notify us in the event of the death or disability of the Managing Owner. Any transfer upon death or disability will be subject to the same terms and conditions as those that apply to other transfers, as described in Sections 4.2.1 through 4.2.4; but you or your executor or other personal representative will have a period of 12 months in which to effect a transfer acceptable to us in the event of death, and six months in the event of disability. The Managing Owner must be replaced with a new Managing Owner acceptable to us. As used in this Agreement, the term “disability” means a mental, emotional or physical injury, illness, incapacity, disability or impairment that is reasonably expected to prevent or actually does prevent a person from performing the obligations set forth in this Agreement for more than 30 days. A person’s disability for purposes of this section will be determined by a licensed practicing physician selected by us upon examination of such person or, if such person refuses to be examined, then such person will automatically be deemed disabled for purposes of this section as of the date of refusal. We will pay the cost of the examination to the extent it is not covered by insurance.

4.2.7 *Operation of the Franchised Business Upon Death or Disability.* Upon the death or disability of the Managing Owner, you or such deceased or disabled owner’s executor, administrator, conservator, guardian or other personal representative must within a reasonable time, not to exceed 30 days from the date of death or disability, appoint a Managing Owner to operate the Franchised Business. Such Managing Owner will be required to complete our training at your expense. Pending the appointment and training of a Managing Owner or if, in our judgment, the Franchised Business is not being managed properly, we have the right, but not the obligation, to manage the Franchised Business ourselves or through another franchisee. You will pay us or such other franchisee for such services in accordance with our or such other franchisee’s then current fees.

4.2.8 *Transitional Management Costs.* In the event that we appoint a manager for the Franchised Business pursuant to Section 4.2.7 or Section 1.5.6, all funds from the operation of the Franchised Business during the management by our appointed manager will be kept in a separate account, and all expenses of the Franchised Business, including compensation, other costs and travel and living expenses of our manager, will be charged to this account. We will also have the right to charge a reasonable management fee (in addition to the Royalty and Marketing Fee and other fees payable under this Agreement) during the period that our appointed manager manages the Franchised Business. Operation of the Franchised Business during any such period will be on your behalf. We will not be liable to you or your company’s owners for any debts, losses or obligations incurred by the Franchised Business or to any of your suppliers for any products, materials, supplies or services the Franchised Business purchased during any period it is managed by our appointed manager.

4.2.9 *Securities Offerings.* You agree to submit to us, for our review, all materials for an offering or exempt private placement of stock or partnership or other interests in your company or any of your affiliates that are required by federal or state law before such materials are filed with any government agency and before they are used. We may require that such materials contain a written statement, prescribed by us, indicating that we are not participating in such offering in any way. You and all other participants in the offering must fully indemnify us and our subsidiaries, affiliates, successors and assigns, and our and their respective members, managers, directors, officers, shareholders, partners, agents and representatives in connection with the offering. For each proposed offering, you will reimburse us for our reasonable costs and expenses (including legal and accounting fees) of reviewing the proposed offering. You will give us written notice at least 30 days before the date that any offering or other transaction described in this Section 4.2.9 commences. Any such offering will be subject to all of the other provisions of this Section 4.2.

Section 4.3 – *Our Right of First Refusal*

4.3.1 *Notice of Third Party Offer.* If you or any of your company’s owners at any time desire to sell, assign or transfer for consideration this Agreement and the other assets of the Franchised Business

or the ownership of your company to anyone other than as described in Section 4.3.4, you will obtain and immediately submit to us a true and complete copy of a bona fide written offer from the third party that desires to acquire your company or its assets (the "Third Party Offer"). The Third Party Offer must include the names of all owners of any entity offeror and the names of all partners of any partnership offeror or, in the case of a publicly-held entity, copies of the most current quarterly report and Form 10K. The Third Party Offer must contain details of the payment terms of the proposed sale and the source and terms of any financing of the proposed purchase price, and may not include or be contingent upon the purchase of assets other than those related to the Franchised Business.

4.3.2 Exercise of Our Right of First Refusal. We will have the right, exercisable by notice delivered to you or your company's selling owner or owners within 30 days after the date of our receipt of a copy of the Third Party Offer and all other information we request, to purchase such interest for the price and on the terms and conditions contained in the Third Party Offer, provided that (i) we may substitute cash for any form of payment proposed in such offer; and (ii) we will have at least 60 days after giving notice of our election to prepare for closing. If we exercise our right of first refusal, the seller and we will execute a written agreement, in a form satisfactory to us, acknowledging the seller's continuing obligations. We may require the seller to sign a general release of any claims against us and our affiliates. If you own the Shop Premises, we or our assignee or affiliate will only have a right to lease the Shop Premises for the remaining term of the Franchise Agreement, excluding renewals, at fair market value.

4.3.3 Consequence of Nonexercise of Our Right of First Refusal. If we do not exercise our right of first refusal, you or your owners may complete the sale to such purchaser pursuant to and on the exact terms of such offer, subject to our approval of the transfer as provided in Section 4.2; but if the sale to such purchaser is not completed within 120 days after delivery of the Third Party Offer to us, or if there is a material change in the terms of the sale (which you agree promptly to communicate to us), we will have an additional right of first refusal during the thirty day period following either the expiration of such 120-day period or the notice to us of the material changes in the terms of the sale, either on the terms originally offered (following such 120-day period) or the modified terms (following notice to us of material changes in the terms of the sale), at our option.

4.3.4 Exceptions. Our right of first refusal will not apply to transfers from one current owner of your company to another current owner unless the Managing Owner is transferring his or her ownership. In addition, our right of first refusal will not apply to any partial sale of your company or its assets. We will not have the right to become a partial owner of your company. You must nevertheless notify us before any transfer between owners or any partial transfer of ownership interest takes place.

ARTICLE V - TERM AND TERMINATION

Section 5.1 - ***Term and Renewal***

5.1.1 Initial Term. This Agreement will be effective as of the date set forth in the opening paragraph of this Agreement. The initial term of this Agreement will expire on the date specified in Schedule A. Unless otherwise agreed, the initial term will be five years. In the case of a transfer from a prior Auntea Jenny franchisee, the initial term will expire upon the expiration date of the transferor's franchise agreement unless otherwise specified in Schedule A.

5.1.2 Renewal. You will have the right to acquire a successor franchise provided that you comply with the following conditions:

5.1.2.1 You will have given us notice of your desire to acquire a successor franchise ("Renewal Notice") not less than six months nor more than eighteen months before the end of the then-current term.

5.1.2.2 You and your affiliated companies must not be in default under this Agreement or any other agreement with us or any of our affiliates at the time you give your Renewal Notice, or if you are in default, you have cured such default in the manner described below.

5.1.2.3 The franchise agreement for the first renewal term will be on the same terms and conditions as those contained in your then current Auntea Jenny franchise agreement, except that you will have the option of setting the term of the first renewal agreement either for five years or for such lesser period of time as remains in the term of your lease of your Auntea Jenny shop location. We will have the right to approve any proposed replacement lease or sublease as otherwise provided in Section 1.2.5. If the current lease or sublease is terminated for any reason before it expires, we have the right to terminate this Agreement in accordance with Section 5.2.

5.1.2.4 The terms and conditions of any renewal agreement following the first renewal term will be terms and conditions that we are then offering as set forth in our then applicable franchise disclosure document. Such agreement will supersede this Agreement in all respects; but you will not be required to pay the initial fee stated in the successor franchise agreement. Instead, you will pay us the renewal fee referred to in Section 2.1.8.9. You understand that the successor franchise agreement may contain materially different terms than this Agreement, including, but not limited to, increased fees.

5.1.2.5 You comply with our then-current standards in effect for new Auntea Jenny franchises, including without limitation our then-current financial qualifications and training requirements.

5.1.2.6 You will not have received more than three notices of default during any 24 month period during the term of this Agreement, whether or not such defaults have been cured.

5.1.2.7 You present evidence to us that you have the right to remain in possession of the Shop Premises for the duration of the term of the successor franchise agreement, or you and we agree to a shorter term, or you obtain our approval of a new location for the Franchised Business for the duration of the successor franchise term.

5.1.2.8 At your cost and expense, you remodel and refurbish the Shop Premises, and you repair or replace equipment (including electronic cash register or computer hardware or software systems), signs, interior and exterior decor items, fixtures, furnishings, catering or delivery vehicles, if applicable, supplies and other products and materials required for the operation of the Franchised Business as we may reasonably require, and you obtain any new or additional equipment, fixtures, supplies and other products and materials that we may reasonably require.

5.1.2.9 If we require, you execute a general release, in a form prescribed by us, of any and all claims against us and our affiliates and their respective members, managers, officers, directors, shareholders, partners, agents and employees.

If you or any of your affiliated companies are in default under this Agreement or any other agreement with us or any of our affiliates at the time you give your Renewal Notice, we will give you notice, not more than 30 days after receipt by us of your Renewal Notice, of such default, and we will give you 30 days to cure. In the event that you fail to cure in that period, or in the event that any other condition set forth in this Section 5.1.2 is not satisfied, your right to renew will terminate. Nothing in this Section 5.1.2 will limit our right to terminate this Agreement in accordance with Section 5.2.2 or 5.2.3.

5.1.3 *Hold Over.* If you do not sign a new franchise agreement before the term of this Agreement expires and you continue to accept the benefits of this Agreement after this Agreement expires, then at our

option, we may treat this Agreement either as: (i) expired as of the date of expiration, with you then being deemed to be operating without a franchise in violation of our rights; or (ii) continued on a month-to-month basis (the "Interim Period") until either (A) both you and we sign a new franchise agreement or (B) either you or we give at least 30 days' prior written notice to the other party of your or our intention to terminate the Interim Period, in which case the Interim Period and this Agreement will terminate on the date specified in the notice, which will not be more than 60 days following the date of the notice unless both parties so agree. All of your obligations will remain in full force and effect during the Interim Period as if this Agreement had not expired.

Section 5.2 - ***Termination***

5.2.1 Termination by You. You may terminate this Agreement upon at least 90 days' notice to us without cause, provided that you comply fully with your obligations under this Agreement during such 90-day period, you pay all amounts owing to us and our affiliates, including the payment of liquidated damages pursuant to Section 5.3.5, and you comply with your post-term obligations under Article III. In the event that you claim that we have materially breached this Agreement, you will provide us with written notice of such claim within twelve months of its occurrence, specifically enumerating all alleged deficiencies and providing us with an opportunity to cure, which will in no event be less than 90 days from the date of our receipt of the notice. Your failure to give such notice will constitute a waiver of your right to terminate on the basis of such breach.

5.2.2 Termination by Us Upon Notice. We may terminate this Agreement upon written notice to you with immediate effect if:

5.2.2.1 you or any of your company's owners have made any material misrepresentation or omission in connection with your application for and purchase of the franchise;

5.2.2.2 your Managing Owner fails to complete the initial training to our satisfaction in accordance with Section 1.5.3;

5.2.2.3 you fail to find a Site for the Franchised Business acceptable to us within the time required by Section 1.2.1 or you fail to commence operation of the Franchised Business within the time required by Section 1.2.10;

5.2.2.4 you are more than five days late in your payment of any amount due to us under this Agreement or to any of the suppliers of the Franchised Business and you fail to make such payment within five days after we will have notified you that such payment is past due;

5.2.2.5 you or any of your affiliates default under the Lease and fail to cure such default within the time required under the Lease, or you lose the right to possession of the Shop Premises and have not relocated to another site approved by us;

5.2.2.6 you no longer have a competent, conscientious, trained staff in numbers sufficient to promptly service customers in accordance with the System Standards;

5.2.2.7 you or any of your company's owners use or disclose any Confidential Information in violation of the requirements of Section 3.2;

5.2.2.8 you or any of your company's owners make any unauthorized use of the Marks or challenge or seek to challenge the validity of any of the Marks;

5.2.2.9 you fail to maintain the insurance we require and do not correct the failure within ten days after we deliver written notice of that failure to you;

5.2.2.10 you refuse to permit us or our agent to enter upon the Shop Premises to conduct any periodic inspection in accordance with Section 1.6.15;

5.2.2.11 you fail to maintain the highest rating possible for the Franchised Business in accordance with the terms of Section 1.6.5, or you fail to notify us as required under Section 1.6.5, or you fail to correct in a timely manner any condition described in any inspection report or any warning, citation, certificate or notice relating to the Franchised Business;

5.2.2.12 a threat or danger to public health or safety results from the construction or maintenance of the Shop Premises or from the operation of the Franchised Business, or you violate any health, safety or sanitation law, ordinance or regulation and do not begin to correct such noncompliance or violation immediately, and completely correct such noncompliance or violation within 72 hours after written notice of such threat, danger, noncompliance or violation is delivered to you;

5.2.2.13 you fail to remove any objectionable content posted to a social media website within 12 hours after we request you to remove it pursuant to Section 1.7.12;

5.2.2.14 you knowingly maintain false books or records or submit to us a report that understates the Gross Sales of the Franchised Business three or more times during the term of this Agreement or by more than five percent on any one occasion;

5.2.2.15 you fail for a period of 15 days after notification by appropriate authority to comply with any other law or regulation applicable to the operation of the Franchised Business;

5.2.2.16 you or any of your company's owners effect or attempt to effect a Transfer without our approval and contrary to the provisions of Article IV;

5.2.2.17 you fail to meet the requirements of Section 1.6.11 including demonstrating full PCI/DSS compliance through means that we request in our reasonable discretion;

5.2.2.18 in the event of your death or disability or the death or disability of an owner of your company, this Agreement or such owner's interest is not assigned as required by Article IV;

5.2.2.19 you or any of your company's owners are or have been convicted of, or plead or have pleaded guilty or no contest to, a felony or any other crime or offense, or engage in any dishonest, deceptive or unethical conduct that may, in our opinion, adversely affect the reputation of the Franchised Business, other Auntea Jenny shops or the goodwill associated with the Marks;

5.2.2.20 you fail to operate the Franchised Business for three consecutive business days, unless the Franchised Business has been closed for a purpose we have approved or because of casualty;

5.2.2.21 you fail to pay when due any federal or state income, service, sales, withholding or other taxes due in connection with the operation of the Franchised Business, unless you are contesting your liability for such taxes in good faith or you have received an extension from the applicable government agency of the time within which to make such payments;

5.2.2.22 you commit two or more defaults under this Agreement in any period of 12 consecutive months, whether or not each such default has been cured after notice was delivered to you;

5.2.2.23 your assets, property or interests or those of any of your owners are blocked under any law, rule or regulation relating to terrorist activities;

5.2.2.24 you become insolvent or make a general assignment for the benefit of creditors; or, unless prohibited by law, if a petition in bankruptcy is filed by you or filed against and consented to by you or not dismissed within 30 days; or if a proceeding for the appointment of a receiver or other custodian of your company, business or assets is filed and consented to by you; or if a receiver or other custodian (permanent or temporary) of all or any part of your business or assets is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; or if a final judgment remains unsatisfied or of record for 30 days or longer (unless a bond is filed or other steps are taken to effectively stay enforcement); or if execution is levied against your property or business; or if suit to foreclose any lien or mortgage against the Shop Premises or equipment of the Franchised Business developed hereunder is instituted against you and not dismissed within 30 days; or if the real or personal property of any restaurant developed under this Agreement is levied and sold at public auction by a sheriff or marshal; or if your company is dissolved;

5.2.2.25 you or any of your affiliates default under any financing agreement or arrangement with any party advancing funds to you in connection with the operation of the Franchised Business or the operation of another business under a franchise agreement with us;

5.2.2.26 any other Auntea Jenny franchise agreement now or hereafter in effect between us and you or any of your affiliates is terminated due to a breach by you or your affiliate.

5.2.3 *Termination After Cure Period.* Except as set forth in Section 5.2.2, you will have 30 days after receipt of written notice from us of a material default in which to remedy the default and provide evidence of that remedy to us. If any such default is not cured within that time, this Agreement will terminate without further notice to you effective immediately upon expiration of that time unless we notify you otherwise in writing.

5.2.4 *Relationship Laws.* Notwithstanding the provisions described in this Section 5.2, if any valid, applicable law or regulation limits our right to terminate this Agreement or requires different or longer notice periods than those set forth in this Agreement, this Section 5.2 is deemed amended to conform to the minimum notice periods or restrictions upon termination required by such law or regulation. We will 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 of this Agreement.

Section 5.3 - ***Consequences of Termination***

5.3.1 *General Consequences.* Upon the expiration of this Agreement or its termination for any reason:

5.3.1.1 all rights and licenses granted to you under this Agreement will immediately terminate;

5.3.1.2 you will remit to us, within 15 days of such expiration or termination, or on such later date that the amounts due to us are determined, such Royalties and Marketing Fees, amounts owed for purchases from us, interest due and all other amounts owed to us that are then unpaid, and you will submit to us any reports and other information you may be required to submit to us with respect to the operation of the Franchised Business up to the date of expiration or termination;

5.3.1.3 you will deliver to us, within 15 days of such expiration or termination, a complete list of all customers in your possession, current as of the effective date of termination or expiration, including the name, address, telephone number and email address of each customer;

5.3.1.4 you will cease to use the Marks in any way, cease referring to or identifying yourself as an Auntea Jenny franchisee and remove all such identifying materials from the Shop Premises, unless we instruct you otherwise;

5.3.1.5 you will take such action as may be required to cancel all fictitious or assumed name or equivalent registrations or domain name registrations relating to your use of any Marks;

5.3.1.6 you will promptly return to us or deliver to us or otherwise dispose of as we may instruct, the Manual, and all supplemental materials, amendments, revisions and copies of the Manual (including copies stored electronically), as well as all other Confidential Information and all copies of such information in your possession or under your control, and all printed materials containing any Mark, and you will remove and destroy all copies from your computers and other electronic storage media, and you will allow us, without liability to you or to third parties, to remove all such items from the Franchised Business; and

5.3.1.7 you will assign to us or our designee all of your right, title and interest in and to your telephone numbers, websites, domain names and meta tags associated with the Mark (the "Listings") and you will notify the telephone company and all listing agencies of the termination or expiration of your right to use any of the Listings, and that you authorize the transfer of the Listings to us or our designee.

5.3.2 Right to Purchase Assets. Upon the expiration of this Agreement or its termination for any reason, or if we elect not to offer or you elect not to accept, a successor franchise, we will have the right, but not the obligation, to purchase some or all of the assets of the Franchised Business, including any furnishings, fixtures, equipment, signs, inventory, supplies and marketing materials and all other items, including the leasehold rights (subject to any rights of approval retained by the owner of the Shop Premises) to or ownership of the Shop Premises. The purchase price for such assets will be their fair market value as agreed by you and us or, if we are unable to agree, as determined in the manner described in Section 5.3.4. Before exercising our purchase right under this section, we will have the right to enter the Shop Premises during reasonable hours to inspect the assets. If we elect to exercise our purchase right under this section, we will give you written notice of our intent to do so within 30 days after the expiration or termination of this Agreement. We will have the right to offset all amounts you owe to us or our affiliates against any payment due to you under this section. We have the unrestricted right to assign this option to purchase the Franchised Business. We will be entitled to all customary warranties and representations in connection with our asset purchase, including, without limitation, representations and warranties as to ownership and condition of and title to assets; liens and encumbrances on assets; validity of contracts and agreements; and liabilities affecting the assets, contingent or otherwise. This provision will also apply in the event of death or disability under Section 4.2.6.

5.3.3 Leasehold Rights. If we exercise our right to assume your lease, you agree at our election, (i) to assign your leasehold interest in the Shop Premises to us or (ii) if you are unable to assign your leasehold interest, to enter into a sublease at a fair market rental for the remainder of the lease term on the same terms (including renewal option) as the prime lease; or (iii) if you own the Shop Premises, to lease the premises to us at a reasonable commercial rent and according to terms comparable with rental terms for similar leased property in the marketplace where the Site is located.

5.3.4 Purchase Price and Closing. If we exercise our right to purchase substantially all of the assets of the Franchised Business:

5.3.4.1 the purchase price will be the fair market value of the assets of the Franchised Business, determined in a manner consistent with reasonable depreciation of the leasehold improvements, equipment, fixtures, furnishings, signs, materials and supplies. The fair market value of the Franchised Business will include the goodwill you have developed in the market that is independent of the goodwill of the Marks and the franchise system. The length of the remaining term of the lease or sublease of the Shop Premises, if any, and the age and condition of the improvements, equipment, fixtures, furnishings, décor and signs will also be considered in determining the fair market value. We may exclude from the assets purchased cash or its equivalent and any leasehold improvements, equipment, fixtures, furnishings, signs, materials and supplies that are not necessary or appropriate to the operation of the Franchised Business or that we have not approved as meeting our standards, and the purchase price will reflect such exclusions.

5.3.4.2 If we and you are unable to agree on the fair market value of the assets of the Franchised Business or the Site, or the fair rental value of the Shop Premises, such fair market value or fair rental value will be determined by one independent appraiser agreed to by you and us. If we fail to agree on an appraiser within 30 days after our notice to you of our intent to purchase such assets, then each party will name its own reputable appraiser within seven days thereafter, and the average of their determinations will be binding. If one appraiser is chosen, then the parties will share the cost of the appraiser equally. If two appraisers are used, each party will pay its own appraisal fees. You and we will instruct the appraiser or appraisers to complete their appraisal within 30 days after their appointment.

5.3.4.3 The closing of the purchase described in this section will take place not later than 90 days after the determination of the purchase price. We will pay the purchase price at the closing, but we have the right to set off against the purchase price any and all amounts you or your company's owners owe to us. At the closing, you agree to deliver instruments transferring to us (i) good and merchantable title to the assets purchased, free and clear of all liens and encumbrances, with all sales and other transfer taxes paid by you; (ii) all licenses and permits of the Franchised Business that are assignable; and (iii) a leasehold interest in (or unencumbered title to) the Shop Premises and the improvements to such premises.

5.3.5 *Liquidated Damages.* The following provisions will apply if this Agreement is terminated before it expires pursuant to Section 5.2.1, 5.2.2 or 5.2.3 and we do not exercise our right to purchase substantially all of the assets of the Franchised Business pursuant to Section 5.3.4:

5.3.5.1 You agree that your termination of this Agreement before it expires pursuant to Section 5.2.1, or our termination based on your material breach pursuant to Section 5.2.2 or 5.2.3, will deprive us of the benefit of the bargain we are entitled to receive under this Agreement. As a result, if this Agreement is terminated after the Franchised Business opens, you must pay us, as liquidated damages and not as a penalty, a lump-sum equal to the average monthly Royalty you owed us during the 24 months before the termination date multiplied by the lesser of 36 or the number of months in the remainder of the term. If less than 24 months have lapsed between the date the Franchised Business opened and the effective date of termination, the liquidated damages will be the average monthly Royalty during the time between the opening date and the termination date, multiplied by 36 or such lesser number of months that remain in the term. If the termination occurs before the opening date, you will forfeit the initial fee paid and you will not owe us any liquidated damages.

5.3.5.2 You will pay all amounts stated in Section 5.3.5.1 within 30 days after the effective date of termination of this Agreement. You agree, and you direct any party construing this Agreement to conclusively presume, that the damages stated in Section 5.3.5.1: (i) are true liquidated damages; (ii) are intended to compensate us for the harm we will suffer; (iii) are not a penalty; (iv)

are a reasonable estimate of our probable loss resulting from your default, viewed as of the termination date; and (v) will be in addition to all other rights we have to obtain legal or equitable relief.

ARTICLE VI - REPRESENTATIONS AND WARRANTIES; INDEMNIFICATION

Section 6.1 - *Representations and Warranties*

6.1.1 *Your Representations.* You represent and warrant as follows:

6.1.1.1 ALL STATEMENTS YOU HAVE MADE AND ALL MATERIALS YOU HAVE SUBMITTED TO US IN CONNECTION WITH YOUR APPLICATION FOR AND PURCHASE OF THE FRANCHISE ARE ACCURATE AND COMPLETE AND, IN THAT CONNECTION, YOU HAVE MADE NO MISREPRESENTATIONS TO US OR OMITTED DISCLOSING ANY MATERIAL INFORMATION TO US.

6.1.1.2 YOU ARE UNDER NO OBLIGATION OR RESTRICTION, NOR WILL YOU ASSUME ANY OBLIGATION OR RESTRICTION, THAT WOULD IN ANY WAY INTERFERE OR BE INCONSISTENT WITH, OR PRESENT A CONFLICT OF INTEREST CONCERNING, YOUR RIGHTS AND OBLIGATIONS UNDER THIS AGREEMENT.

6.1.1.3 SCHEDULE A COMPLETELY AND ACCURATELY DESCRIBES ALL OF YOUR COMPANY'S OWNERS, DIRECTORS, OFFICERS, MEMBERS, PARTNERS AND MANAGERS AND THEIR OWNERSHIP INTERESTS AND MANAGEMENT POSITIONS IN YOUR COMPANY.

6.1.1.4 YOUR COMPANY HAS THE POWER AND AUTHORITY TO ENTER INTO THIS AGREEMENT AND TO PERFORM ITS OBLIGATIONS UNDER THIS AGREEMENT AND IS NOT RESTRICTED FROM DOING SO BY ANY AGREEMENT WITH ANY OTHER PARTY, AND THE PERSON SIGNING THIS AGREEMENT ON BEHALF OF YOUR COMPANY HAS THE POWER AND AUTHORITY TO BIND YOUR COMPANY.

6.1.2 *Your Compliance with Laws.* You represent and warrant that neither you nor any person holding any ownership interest in your company or a company controlled by or under common control with your company, (i) is identified on the lists of "Specially Designated Nationals" or "Blocked Persons" maintained by the U.S. Treasury Department's Office of Foreign Assets Control, (ii) is designated under Executive Order 13224 as a person with whom we may not transact business, (iii) is affiliated with or supports any individual or entity engaged in, contemplating or supporting terrorist activity, or (iv) has violated any law prohibiting corrupt business practices or money laundering.

Section 6.2 - *Indemnification*

6.2.1 *Your Indemnity.* You will indemnify and hold us and our affiliates, and the members, managers, stockholders, directors, officers, employees and agents of our company and our affiliates (the "Franchisor Indemnified Parties"), harmless from and against all costs, expenses, liabilities and losses, including reasonable attorneys' fees and disbursements, directly or indirectly relating to: (i) the failure, or alleged failure, of any of your representations, warranties or covenants set forth in this Agreement, (ii) any act or omission, or alleged act or omission, of yours or anyone associated with or employed by or affiliated with you, except as described in Section 6.2.2 or (iii) any other third party claims against the Franchised Business or against the Franchisor Indemnified Parties concerning the Franchised Business. We will have the right to participate in the defense, with counsel of our own choice, of any action that may give rise to your obligation to indemnify the Franchisor Indemnified Parties, and to reject any settlement that might adversely affect us or any other Franchisor Indemnified Parties. We will have the right to seek reimbursement from you of any costs, including legal fees and costs, incurred by us as the result of the foregoing, as well reimbursement for amounts paid by us in connection with any settlement or judgment relating to such claims.

6.2.2 *Our Indemnity.* We will defend and indemnify and hold you and your affiliates, and the members, managers, stockholders, directors, officers, employees and agents of your company and its affiliates, harmless from and against all costs, expenses, liabilities and losses, including reasonable attorneys' fees and disbursements, directly or indirectly relating to: (i) your use of the Marks or any copyrights or design patents owned by us or our affiliate in full compliance with the terms and conditions of this Agreement; or (ii) advertising or promotion carried out by us or by agencies or media engaged by us relating to the Auntea Jenny brand, provided that you have timely notified us of each such claim or proceeding, have given us sole control of the defense and settlement, and have otherwise complied with this Agreement.

6.2.3 *Notice of Claim; Survival.* Each party will give the other notice of any claim that may require indemnification promptly after such party learns of such claim. The rights and obligations of the parties under this Section 6.2 will survive the expiration or termination of this Agreement.

Section 6.3 – ***Insurance***

6.3.1 *Insuring the Franchised Business.* During the term of this Agreement and any renewal, you will obtain and maintain, at your own expense, an insurance policy or policies protecting you against any demand or claim with respect to personal and bodily injury, death, or property damage, or any loss, liability, or expense arising or occurring upon or in connection with the operation of the Franchised Business. Such policy or policies must

6.3.1.1 be written by an insurer licensed and admitted to write coverage the state in which the Franchised Business is located and with a rating of "A" or better as set forth in the most recent edition of Best's Key Rating Guide;

6.3.1.2 be primary coverage without right of contribution from any general liability policy or auto liability policy or from any insurance of ours;

6.3.1.3 name Auntea Jenny Brand Management LLC, KF Tea USA Inc. and AJ Supply Chain as additional insureds;

6.3.1.4 be provided on an Additional Insured Grantor of Franchise Endorsement form CG2029 (or an endorsement form with comparable wording acceptable to us; and

6.3.1.5 comply with our written requirements at the time such policies are obtained, and provide at least the types and minimum amounts of coverage specified below or as described in our written notice to you.

Your obligation to obtain and maintain such insurance will not be limited in any way by reason of any insurance that we may maintain.

6.3.2 *Minimum Coverage.* The policies referred to in Section 6.3.1 must include at least the following:

6.3.2.1 "all risk" or "special" property insurance covering all real and personal property and equipment on a replacement costs basis, including business interruption and extra expense insurance;

6.3.2.2 comprehensive general liability insurance, including products and completed operations, in an amount of not less than the following combined single limits: \$2,000,000 per occurrence, \$2,000,000 personal and advertising injury, \$2,000,000 completed operations/products aggregate, \$2,000,000 aggregate per location;

6.3.2.3 employment practices liability coverage with a limited \$100,000 per occurrence and in the aggregate;

6.3.2.4 automobile liability coverage, including coverage of owned, non-owned, rented or hired vehicles with coverage in amounts not less than \$1,000,000 combined single limit; and

6.3.2.5 workers' compensation insurance for statutory limits and employer's liability insurance in an amount not less than \$1,000,000.

6.3.3 *Waiver of Subrogation.* You and your insurers must agree to waive their rights of subrogation against us in connection with any and all insurance that you are required to maintain under this Section 6.3.

6.3.4 *Changes in Coverage Requirements.* Each year we may unilaterally modify the insurance minimum coverage requirements by delivery to you of written notice of the change, which may include an increase to the minimum coverage requirements to reflect changes in inflation or as market conditions warrant.

6.3.5 *Negligence.* All public liability and property damage policies must contain a provision that Auntea Jenny Brand Management LLC, KF Tea USA Inc. and AJ Supply Chain, although named as additional insureds, will nevertheless be entitled to recover under such policies on any loss occasioned to any such company by reason of your negligence.

6.3.6 *Certificates of Insurance.* At least ten days before you are first required to carry insurance, and thereafter at least thirty days before the expiration of any policy, you will deliver to us a certificate of insurance evidencing your compliance with this Section 6.3. Each certificate of insurance must expressly provide that we must receive at least thirty days' prior written notice in the event of material alteration to or cancellation or non-renewal of any coverage evidenced by the certificate.

6.3.7 *Our Remedies.* If you fail to obtain or maintain the required insurance in accordance with this Section 6.3, we or our designee will each have the right and authority (but not the obligation) to obtain such insurance on your behalf. Such right will be in addition to and not in lieu of any other rights or remedies available to us. If we obtain such insurance on your behalf, we may require you to pay us the charges described in Section 2.1.8.2.

6.3.8 *No Effect on Indemnity.* Nothing in this Section 6.3 will relieve you of liability under the indemnity provisions in Section 6.2.

ARTICLE VII - MISCELLANEOUS

Section 7.1 – ***Relationship of the Parties.*** You are an independent contractor and not an agent of ours. You will have no power or authority to make any commitment or enter into any contract or agreement obligating or purporting to obligate us, and you will not hold yourself out as having such power or authority. Nothing in this Agreement imposes a fiduciary duty upon us. You agree to conspicuously identify yourself in all dealings with customers, suppliers, public officials, your employees and others as the owner of an independent business under a franchise from us and to place such notices of independent ownership on such forms, business cards, stationery, advertising and other materials as we require from time to time.

Section 7.2 – ***Reasonable Business Judgment.*** You acknowledge that the long-term interests of the network of Auntea Jenny shops, and our company and its owners, taken together, require that we have the latitude to make business decisions with respect to the franchise system. The ultimate responsibility to make decisions with respect to the franchise system and the System Standards is vested in us because we, you and all Auntea Jenny franchisees have a collective interest in working within a franchise system that can quickly adjust to changing business conditions, including changes in the competitive environment,

new laws and regulations, and emerging business opportunities. We have this right even if, at times, a particular decision adversely affects you. We will not be required to consider your particular economic or other circumstances or to disregard our own economic or other business interest when making decisions under this Agreement.

Section 7.3 – *Injunctive Relief.* You understand that your covenants set forth in Article III constitute essential elements of this Agreement. If you fail to comply strictly with any such covenants, we will suffer irreparable harm and will have a cause of action for damages or injunctive relief or both against you in a court of competent jurisdiction.

Section 7.4 – *Severability.* If any restrictive covenant in this Agreement is held to be invalid or unenforceable because its duration is too long or its scope is too broad, you and we agree that the court making such determination will have the power to reduce the duration or scope in such a manner that the remaining revised covenant will be valid and enforceable. Each provision of this Agreement will be interpreted in such a manner as to be effective and valid under applicable law. If any provision of this Agreement is prohibited by or invalid under applicable law, such prohibition or invalidity will not invalidate the remainder of such provision as long as the resulting provision remains consistent with the parties' original intent. If it is impossible to so modify the provision, such provision will be deleted from this Agreement. If any provision of this Agreement is declared invalid by a court of competent jurisdiction for any reason, the parties will continue to be bound by the remainder of this Agreement; provided, that if any provision of the Agreement that we, in our sole discretion, determine to be material, is declared invalid by a court of competent jurisdiction, we reserve the right to terminate this Agreement.

Section 7.5 – *No Waiver of Rights.* No delay or failure to exercise any right or remedy provided for in this Agreement will be deemed to be a waiver of such right or remedy or acquiescence in the event giving rise to such right or remedy. No waiver will be binding unless contained in a writing signed by the party waiving its rights. Any waiver is limited to the specific situation in which it is given and no waiver of any breach or default under this Agreement will be construed as a waiver of any earlier or succeeding breach or default.

Section 7.6 – *Notices.* All notices, requests, consents and other communications required or permitted by this Agreement (except oral or email notices for the purchase or sale of unauthorized products under Sections 1.1.4, 1.3.4 or 1.6.15) will be in writing and will be delivered by hand, overnight delivery service, or registered or certified first class mail, to the following address, or such other address as either party, by like notice, designates with respect to its own address:

If to us: Auntea Jenny Brand Management LLC
4695 Chabot Dr, Suite 200, Rm 220
Pleasanton, CA 94588

If to you: The address indicated in Schedule A either in the
manner described above in this Section 7.6 or by
email or other method indicated in Schedule A
which shall include electronic confirmation of delivery.

Any such notice, request, consent or other communication will be deemed given and be effective upon receipt at such address.

Section 7.7 – *Affiliates.* As used in this Agreement, the term "affiliate" of party means a company directly or indirectly controlling, controlled by or under common control with such party. "Control" of another company, as used in this Agreement, means the ownership of or the power to vote, directly or indirectly

through majority-owned companies, more than 50% of the voting stock or voting rights of such other company.

Section 7.8 – *Limitation of Actions.* Except as otherwise stated in this Section 7.8, any and all claims and actions arising out of or relating to this Agreement brought by either party against the other must be brought or asserted before the expiration of the earlier of (i) the time period for bringing an action under any applicable statute of limitations; (ii) one year after the date upon which a party discovered, or should have discovered, the facts giving rise to the claim; or (iii) two years after the first act or omission giving rise to the alleged claim. Claims and actions not brought within such time period will be irrevocably barred. Claims by us of your underreporting of sales, claims for your failure to pay monies owed or for indemnification, and claims for your infringement of any Marks will be subject only to the applicable statute of limitations.

Section 7.9 – *Waiver of Punitive Damages and Jury Trial.* Except for your obligation to indemnify us for third party claims under Section 6.2, we and you each waive to the fullest extent permitted by law any right to or claim of any punitive or exemplary damages against the other party, and we and you agree that any recovery in a dispute between us will be limited to equitable relief and to the recovery of actual damages sustained. We and you irrevocably waive trial by jury in any action, proceeding or counterclaim brought by either of us.

Section 7.10 – *No Class Actions.* Any litigation and any arbitration will be conducted and resolved on an individual basis only and not a class-wide, multiple plaintiff or similar basis. No such proceeding will be consolidated with any other proceeding involving any other person, except for disputes involving affiliates of the parties.

Section 7.11 – *Governing Law.* This Agreement will be governed by and construed in accordance with the laws of the State of California.

Section 7.12 – *Jurisdiction and Venue.* You irrevocably consent to the non-exclusive jurisdiction of the federal and state courts located in San Francisco, California, or the city in which our principal office is located at the time suit is filed (or a city within 25 miles of such office). If we assign or otherwise transfer this Agreement, all legal actions between the parties will be venued exclusively in a state or federal court in the judicial district in which the assignee's or transferee's principal offices are located at the time the suit is filed. You hereby waive, to the full extent permitted by law, defenses based on jurisdiction, venue and forum *non conveniens*. You further consent to service of process in any action by registered mail, return receipt requested, or by any other means permitted by law.

Section 7.13 – *Costs and Expenses.* In any legal action arising out of or pursuant to this Agreement or otherwise in connection with the relationship between us, the prevailing party will be entitled to recover its reasonable costs and expenses (including reasonable attorneys' fees). Attorneys' fees include, without limitation, reasonable legal fees charged by attorneys, paralegal fees, and costs and disbursements, whether incurred in preparation for or in contemplation of the filing of a written demand or claim, or in the course of an action, hearing or proceeding to enforce the obligations of the parties under this Agreement.

Section 7.14 – *Renewal Release.* If this Agreement is a renewal of a prior agreement that has expired or is about to expire or a replacement of an earlier agreement between you and us, then you hereby release, discharge and hold harmless us and our past and present affiliated companies, successors, assignees and each of our and their past and present members, managers, directors, officers employees, agents, attorneys, owners, shareholders, partners, designees and representatives, from any and all debts, losses, damages, expenses, claims, demands, actions, causes of action, liabilities, costs or obligations arising from or in any way connected with the operation of your franchise up to the date of this Agreement, which you may have had, now have or may hereafter discover, whether known or unknown, foreseen or unforeseen, to the extent permitted by law.

Section 7.15 – **Entire Agreement.** This Agreement and all related agreements executed simultaneously with this Agreement constitute the entire understanding of the parties and supersede any and all prior oral or written agreements between you and us on the matters contained in this Agreement; but nothing in this or any related agreement is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you. Except for changes permitted under this Agreement to be made unilaterally by us, no amendment to this Agreement will be binding unless such amendment is in writing and executed by the parties.

The parties have signed this Agreement on the dates set forth below, with effect as of the date stated in the opening paragraph of this Agreement.

AUNTEA JENNY BRAND MANAGEMENT LLC

[Franchisee]

By _____

By _____

Title _____

Title _____

Date _____

Date _____

SCHEDULE A

FRANCHISEE INFORMATION

See Sections 1.1.1, 1.1.2, 1.1.3, 1.1.7, 1.5.1, 2.1.1, 5.1.1, 6.1.1.3 and 7.6 of the Franchise Agreement

1. Approved location (the Site): _____
2. Territory: _____
3. Agreement expiration date: _____
4. Initial fee: \$20,000
5. Managing Owner: _____
Operating Manager: _____
6. Address for notices: _____
[Cannot be a post office box address]
7. Ownership and management of the franchisee.

The franchisee is a _____ [state] _____ [limited liability company] [corporation].

The following persons are the [members and managers] [shareholders, officers and directors] of the franchisee:

<i>Name and Home Address</i>	<i>Positions</i>	<i>Percentage Ownership</i>

AUNTEA JENNY

Guaranty and Assumption of Obligations

[for one guarantor]

In order to induce AUNTEA JENNY BRAND MANAGEMENT LLC, a Delaware limited liability company (the "Franchisor"), to enter into an Auntea Jenny franchise agreement dated as of _____ (the "Franchise Agreement") with _____, a _____ (the "Franchisee") for an Auntea Jenny shop located at _____, the undersigned person (the "Guarantor"), hereby agrees as follows:

1. **Guaranty of Payment**

1.1 *Personal Guaranty.* The Guarantor personally and unconditionally guarantees to the Franchisor and the Franchisor's successors and assigns the due, punctual and complete payment of all amounts that the Franchisee is obligated to pay to the Franchisor under the Franchise Agreement and under any modification of, amendment to or renewal of the Franchise Agreement.

1.2 *Waiver of Defenses.* The Guarantor waives to the fullest extent permitted by law (a) any defense based upon any (i) legal disability or lack of authority of the Franchisee, (ii) legal or equitable discharge or limitation of the liability of the Franchisee, whether consensual or arising by operation of law, (iii) bankruptcy, insolvency, reorganization or other similar proceeding affecting the Guarantor or the Franchisee, or (iv) invalidity, irregularity or unenforceability of any or all of the provisions of this Guaranty or the Franchise Agreement; (b) presentment, demand, protest or notice of any other kind; (c) notice of acceptance of this Guaranty; (d) other defenses available to the Guarantor under applicable law; and (e) any requirement of diligence on the part of the Franchisor or any right the Guarantor may have to require the Franchisor to proceed first against the Franchisee.

1.3 *Guaranty of Payment.* This is a guaranty of payment and not of collection. The Franchisor may require payment from the Guarantor of any obligation of the Franchisee under the Franchise Agreement and may sue the Guarantor for damages without first seeking or taking any action against the Franchisee.

1.4 *No Modification or Release.* The liability of the Guarantor is unaffected by (a) any modification, amendment, termination or variation in or addition to the Franchise Agreement; (b) any extension of time for performance or any waiver of performance or any delay of the Franchisor in enforcing any right, remedy, power or privilege that the Franchisor may have against the Franchisee or any other person; (c) the release of the Franchisee, in whole or in part, from performance or observance of any of the agreements, covenants, terms or conditions contained in the Franchise Agreement, whether made with or without notice to the Guarantor; or (d) any other guaranty now or hereafter executed by anyone else in connection with the transactions contemplated by the Franchise Agreement.

2. **Proprietary Rights; Confidentiality; Noncompetition**

2.1 *Improvements.* The Guarantor agrees that if he or she makes an improvement to the Franchisor's business system or method, such improvement will be the property of the Franchisor pursuant to the terms of Section 1.4.3 of the Franchise Agreement and the Guarantor will promptly disclose such improvement to the Franchisee and to the Franchisor with reference to this undertaking. The Guarantor hereby assigns all rights in such improvements to the Franchisor and agrees to sign any documents that the Franchisor may reasonably request from time to time to evidence such assignment.

2.2 *Copyrights and Trademarks.* The Guarantor acknowledges that the Franchisor's copyrights and trademarks may only be used by the Franchisee in accordance with Section 3.1 of the Franchise Agreement. The Guarantor personally agrees to comply with all of the Franchisee's obligations under

Section 3.1 and not to use any of the Franchisor's copyrights or trademarks except on behalf of the Franchisee in furtherance of the Franchisee's business, and the Guarantor agrees that any such use will be in compliance with the Franchisee's obligations under the Franchise Agreement as if the Guarantor were the Franchisee under the Franchise Agreement.

2.3 Confidentiality. The Guarantor acknowledges the Franchisee's obligations of confidentiality under Section 3.2 of the Franchise Agreement. The Guarantor personally agrees to comply with all of the Franchisee's obligations under Section 3.2 and not to disclose or use any Confidential Information (as defined in Section 3.2.1 of the Franchise Agreement) except on behalf of the Franchisee in furtherance of the Franchisee's business in compliance with the Franchisee's obligations under the Franchise Agreement, and only to the extent that the Franchisee is permitted under the Franchise Agreement to disclose and use Confidential Information. Upon the request of the Franchisor, the Guarantor will promptly return to the Franchisor all Confidential Information and all copies in the Guarantor's possession or under the Guarantor's control, and the Guarantor will destroy all copies on the Guarantor's computers, disks and other digital storage devices.

2.4 Noncompetition. The Guarantor acknowledges the Franchisee's obligations under Section 3.3 of the Franchise Agreement not to compete with the Franchisor. The Guarantor personally agrees to comply with and be bound by all of the Franchisee's obligations under Section 3.3 to the same extent that the Franchisee is bound by the obligations of Section 3.3, both during and after the term of the Franchise Agreement.

2.5 Remedies. If the Guarantor fails to comply strictly with any of the undertakings in Sections 2.1 through 2.4 above, the Franchisor will suffer irreparable harm and will have a cause of action for damages or injunctive relief or both against such Guarantor in a court of competent jurisdiction.

3. Transfer

3.1 Transfer by the Franchisor. If the Franchisor transfers its rights and obligations under the Franchise Agreement pursuant to Section 4.1 of the Franchise Agreement, this Guaranty will be deemed to be transferred automatically to the transferee who, upon such transfer, will have all of the rights granted to the Franchisor under this Guaranty vis-a-vis the Guarantor, and the obligations of the Guarantor will then accrue to the benefit of the transferee.

3.2 Transfer by the Franchisee. The Guarantor acknowledges the Franchisee's transfer restrictions under Sections 4.2 and 4.3 of the Franchise Agreement. The Guarantor personally agrees to comply with all of the Franchisee's obligations under Sections 4.2 and 4.3.

4. Miscellaneous

4.1 Waiver. No delay or failure to exercise any right or remedy provided for in this Agreement will be deemed to be a waiver of such right or remedy or acquiescence in the event giving rise to such right or remedy.

4.2 Governing Law. This Guaranty and Assumption of Obligations will be governed by and construed in accordance with the laws of the State of California.

4.3 Attorneys' Fees. In the event this Guaranty and Assumption of Obligations is placed in the hands of an attorney for enforcement and the Franchisor is the prevailing party, the Guarantor will reimburse the Franchisor for all reasonable expenses incurred in the enforcement of the Franchisor's rights, including reasonable attorneys' fees and expenses.

4.4 Severability. In the event that any one or more provisions of this Guaranty and Assumption of Obligations are deemed unenforceable or void, the remaining provisions will continue to be valid and enforceable.

4.5 *Amendments*. This Guaranty and Assumption of Obligations may not be modified or amended except in writing signed by the Franchisor and the Guarantor to be bound by such modification or amendment.

IN WITNESS WHEREOF, the Guarantor has signed this Guaranty as of the date of the Franchise Agreement.

GUARANTOR:

Signature

Print name

Home address

Acknowledged and agreed:

AUNTEA JENNY BRAND MANAGEMENT LLC

By _____

Title _____

Date _____

AUNTEA JENNY

Guaranty and Assumption of Obligations

[for joint guarantors]

In order to induce AUNTEA JENNY BRAND MANAGEMENT LLC, a Delaware limited liability company (the "Franchisor"), to enter into an Auntea Jenny franchise agreement dated as of _____ (the "Franchise Agreement") with _____, a _____ (the "Franchisee") for an Auntea Jenny shop located at _____, each of the undersigned persons (the "Guarantors"), jointly, individually and severally, hereby agree as follows:

1. *Guaranty of Payment*

1.1 *Personal Guaranty.* Each Guarantor personally and unconditionally guarantees to the Franchisor and the Franchisor's successors and assigns the due, punctual and complete payment of all amounts that the Franchisee is obligated to pay to the Franchisor under the Franchise Agreement and under any modification of, amendment to or renewal of the Franchise Agreement.

1.2 *Waiver of Defenses.* Each Guarantor waives to the fullest extent permitted by law (a) any defense based upon any (i) legal disability or lack of authority of the Franchisee, (ii) legal or equitable discharge or limitation of the liability of the Franchisee, whether consensual or arising by operation of law, (iii) bankruptcy, insolvency, reorganization or other similar proceeding affecting a Guarantor or the Franchisee, or (iv) invalidity, irregularity or unenforceability of any or all of the provisions of this Guaranty or the Franchise Agreement; (b) presentment, demand, protest or notice of any other kind; (c) notice of acceptance of this Guaranty; (d) other defenses available to a Guarantor under applicable law; and (e) any requirement of diligence on the part of the Franchisor or any right a Guarantor may have to require the Franchisor to proceed first against the Franchisee.

1.3 *Guaranty of Payment.* This is a guaranty of payment and not of collection. The Franchisor may require payment from each Guarantor of any obligation of the Franchisee under the Franchise Agreement and may sue each Guarantor for damages without first seeking or taking any action against the Franchisee.

1.4 *No Modification or Release.* The liability of each Guarantor is unaffected by (a) any modification, amendment, termination or variation in or addition to the Franchise Agreement; (b) any extension of time for performance or any waiver of performance or any delay of the Franchisor in enforcing any right, remedy, power or privilege that the Franchisor may have against the Franchisee or any other person; (c) the release of the Franchisee, in whole or in part, from performance or observance of any of the agreements, covenants, terms or conditions contained in the Franchise Agreement, whether made with or without notice to the Guarantors; or (d) any other guaranty now or hereafter executed by anyone else in connection with the transactions contemplated by the Franchise Agreement.

2. *Proprietary Rights; Confidentiality; Noncompetition*

2.1 *Improvements.* Each Guarantor agrees that if a Guarantor makes an improvement to the Franchisor's business system or method, such improvement will be the property of the Franchisor pursuant to the terms of Section 1.4.3 of the Franchise Agreement and the Guarantor will promptly disclose such improvement to the Franchisee and to the Franchisor with reference to this undertaking. The Guarantor hereby assigns all rights in such improvements to the Franchisor and agrees to sign any documents that the Franchisor may reasonably request from time to time to evidence such assignment.

2.2 *Copyrights and Trademarks.* Each Guarantor acknowledges that the Franchisor's copyrights and trademarks may only be used by the Franchisee in accordance with Section 3.1 of the Franchise Agreement. Each Guarantor personally agrees to comply with all of the Franchisee's obligations under

Section 3.1 and not to use any of the Franchisor's copyrights or trademarks except on behalf of the Franchisee in furtherance of the Franchisee's business, and each Guarantor agrees that any such use will be in compliance with the Franchisee's obligations under the Franchise Agreement as if the Guarantor were the Franchisee under the Franchise Agreement.

2.3 Confidentiality. Each Guarantor acknowledges the Franchisee's obligations of confidentiality under Section 3.2 of the Franchise Agreement. Each Guarantor personally agrees to comply with all of the Franchisee's obligations under Section 3.2 and not to disclose or use any Confidential Information (as defined in Section 3.2.1 of the Franchise Agreement) except on behalf of the Franchisee in furtherance of the Franchisee's business in compliance with the Franchisee's obligations under the Franchise Agreement, and only to the extent that the Franchisee is permitted under the Franchise Agreement to disclose and use Confidential Information. Upon the request of the Franchisor, each Guarantor will promptly return to the Franchisor all Confidential Information and all copies in the Guarantor's possession or under the Guarantor's control, and the Guarantor will destroy all copies on the Guarantor's computers, disks and other digital storage devices.

2.4 Noncompetition. Each Guarantor acknowledges the Franchisee's obligations under Section 3.3 of the Franchise Agreement not to compete with the Franchisor. Each Guarantor personally agrees to comply with and be bound by all of the Franchisee's obligations under Section 3.3 to the same extent that the Franchisee is bound by the obligations of Section 3.3, both during and after the term of the Franchise Agreement.

2.5 Remedies. If any Guarantor fails to comply strictly with any of the undertakings in Sections 2.1 through 2.4, the Franchisor will suffer irreparable harm and will have a cause of action for damages or injunctive relief or both against such Guarantor in a court of competent jurisdiction.

3. Transfer

3.1 Transfer by the Franchisor. If the Franchisor transfers its rights and obligations under the Franchise Agreement pursuant to Section 4.1 of the Franchise Agreement, this Guaranty will be deemed to be transferred automatically to the transferee who, upon such transfer, will have all of the rights granted to the Franchisor under this Guaranty vis-a-vis the Guarantors, and the obligations of the Guarantors will then accrue to the benefit of the transferee.

3.2 Transfer by the Franchisee. Each Guarantor acknowledges the Franchisee's transfer restrictions under Sections 4.2 and 4.3 of the Franchise Agreement. Each Guarantor personally agrees to comply with all of the Franchisee's obligations under Sections 4.2 and 4.3.

4. Miscellaneous

4.1 Waiver. No delay or failure to exercise any right or remedy provided for in this Agreement will be deemed to be a waiver of such right or remedy or acquiescence in the event giving rise to such right or remedy.

4.2 Governing Law. This Guaranty and Assumption of Obligations will be governed by and construed in accordance with the laws of the State of California.

4.3 Attorneys' Fees. In the event this Guaranty and Assumption of Obligations is placed in the hands of an attorney for enforcement and the Franchisor is the prevailing party, the Guarantors will reimburse the Franchisor for all reasonable expenses incurred in the enforcement of the Franchisor's rights, including reasonable attorneys' fees and expenses.

4.4 Severability. In the event that any one or more provisions of this Guaranty and Assumption of Obligations are deemed unenforceable or void, the remaining provisions will continue to be valid and enforceable.

4.5 *Amendments*. This Guaranty and Assumption of Obligations may not be modified or amended except in writing signed by the Franchisor and the Guarantor to be bound by such modification or amendment.

IN WITNESS WHEREOF, each Guarantor has signed this Guaranty as of the date of the Franchise Agreement.

GUARANTORS:

Signature

Print name

Home address

Signature

Print name

Home address

Acknowledged and agreed:

AUNTEA JENNY BRAND MANAGEMENT LLC

By _____

Title _____

Date _____

AUNTEA JENNY

Guaranty and Assumption of Obligations

[for a partial transfer of ownership]

In order to induce AUNTEA JENNY BRAND MANAGEMENT LLC, a Delaware limited liability company (the "Franchisor"), to approve the transfer to the undersigned person (the "Guarantor") of a ___% ownership interest in _____, a _____, the franchisee of an Auntea Jenny shop located at _____ (the "Franchisee") pursuant to an Auntea Jenny franchise agreement dated as of _____ (the "Franchise Agreement"), the Guarantor hereby agrees as follows, jointly and severally with the co-owners of the Franchisee, each of whom entered into unconditional personal guarantees with the Franchisor upon the execution of the Franchise Agreement:

1. *Guaranty of Payment*

1.1 *Personal Guaranty.* The Guarantor personally and unconditionally guarantees to the Franchisor and the Franchisor's successors and assigns the due, punctual and complete payment of all amounts that the Franchisee is obligated to pay to the Franchisor under the Franchise Agreement and under any modification of, amendment to or renewal of the Franchise Agreement.

1.2 *Waiver of Defenses.* The Guarantor waives to the fullest extent permitted by law (a) any defense based upon any (i) legal disability or lack of authority of the Franchisee, (ii) legal or equitable discharge or limitation of the liability of the Franchisee, whether consensual or arising by operation of law, (iii) bankruptcy, insolvency, reorganization or other similar proceeding affecting the Guarantor or the Franchisee, or (iv) invalidity, irregularity or unenforceability of any or all of the provisions of this Guaranty or the Franchise Agreement; (b) presentment, demand, protest or notice of any other kind; (c) notice of acceptance of this Guaranty; (d) other defenses available to the Guarantor under applicable law; and (e) any requirement of diligence on the part of the Franchisor or any right the Guarantor may have to require the Franchisor to proceed first against the Franchisee.

1.3 *Guaranty of Payment.* This is a guaranty of payment and not of collection. The Franchisor may require payment from the Guarantor of any obligation of the Franchisee under the Franchise Agreement and may sue the Guarantor for damages without first seeking or taking any action against the Franchisee.

1.4 *No Modification or Release.* The liability of the Guarantor is unaffected by (a) any modification, amendment, termination or variation in or addition to the Franchise Agreement; (b) any extension of time for performance or any waiver of performance or any delay of the Franchisor in enforcing any right, remedy, power or privilege that the Franchisor may have against the Franchisee or any other person; (c) the release of the Franchisee, in whole or in part, from performance or observance of any of the agreements, covenants, terms or conditions contained in the Franchise Agreement, whether made with or without notice to the Guarantor; or (d) any other guaranty now or hereafter executed by anyone else in connection with the transactions contemplated by the Franchise Agreement.

2. *Proprietary Rights; Confidentiality; Noncompetition*

2.1 *Improvements.* The Guarantor agrees that if he or she makes an improvement to the Franchisor's business system or method, such improvement will be the property of the Franchisor pursuant to the terms of Section 1.4.3 of the Franchise Agreement and the Guarantor will promptly disclose such improvement to the Franchisee and to the Franchisor with reference to this undertaking. The Guarantor hereby assigns all rights in such improvements to the Franchisor and agrees to sign any documents that the Franchisor may reasonably request from time to time to evidence such assignment.

2.2 Copyrights and Trademarks. The Guarantor acknowledges that the Franchisor's copyrights and trademarks may only be used by the Franchisee in accordance with Section 3.1 of the Franchise Agreement. The Guarantor personally agrees to comply with all of the Franchisee's obligations under Section 3.1 and not to use any of the Franchisor's copyrights or trademarks except on behalf of the Franchisee in furtherance of the Franchisee's business, and the Guarantor agrees that any such use will be in compliance with the Franchisee's obligations under the Franchise Agreement as if the Guarantor were the Franchisee under the Franchise Agreement.

2.3 Confidentiality. The Guarantor acknowledges the Franchisee's obligations of confidentiality under Section 3.2 of the Franchise Agreement. The Guarantor personally agrees to comply with all of the Franchisee's obligations under Section 3.2 and not to disclose or use any Confidential Information (as defined in Section 3.2.1 of the Franchise Agreement) except on behalf of the Franchisee in furtherance of the Franchisee's business in compliance with the Franchisee's obligations under the Franchise Agreement, and only to the extent that the Franchisee is permitted under the Franchise Agreement to disclose and use Confidential Information. Upon the request of the Franchisor, the Guarantor will promptly return to the Franchisor all Confidential Information and all copies in the Guarantor's possession or under the Guarantor's control, and the Guarantor will destroy all copies on the Guarantor's computers, disks and other digital storage devices.

2.4 Noncompetition. The Guarantor acknowledges the Franchisee's obligations under Section 3.3 of the Franchise Agreement not to compete with the Franchisor. The Guarantor personally agrees to comply with and be bound by all of the Franchisee's obligations under Section 3.3 to the same extent that the Franchisee is bound by the obligations of Section 3.3, both during and after the term of the Franchise Agreement.

2.5 Remedies. The Guarantor acknowledges that if the Guarantor fails to comply strictly with any of the undertakings in Sections 2.1 through 2.4 above, the Franchisor will suffer irreparable harm and will have a cause of action for damages or injunctive relief or both against such Guarantor in a court of competent jurisdiction.

3. Transfer

3.1 Transfer by the Franchisor. If the Franchisor transfers its rights and obligations under the Franchise Agreement pursuant to Section 4.1 of the Franchise Agreement, this Guaranty will be deemed to be transferred automatically to the transferee who, upon such transfer, will have all of the rights granted to the Franchisor under this Guaranty vis-a-vis the Guarantor, and the obligations of the Guarantor will then accrue to the benefit of the transferee.

3.2 Transfer by the Franchisee. The Guarantor acknowledges the Franchisee's transfer restrictions under Sections 4.2 and 4.3 of the Franchise Agreement. The Guarantor personally agrees to comply with all of the Franchisee's obligations under Sections 4.2 and 4.3.

4. Miscellaneous

4.1 Waiver. No delay or failure to exercise any right or remedy provided for in this Agreement will be deemed to be a waiver of such right or remedy or acquiescence in the event giving rise to such right or remedy.

4.2 Governing Law. This Guaranty and Assumption of Obligations will be governed by and construed in accordance with the laws of the State of California.

4.3 Attorneys' Fees. In the event this Guaranty and Assumption of Obligations is placed in the hands of an attorney for enforcement and the Franchisor is the prevailing party, the Guarantor will reimburse the Franchisor for all reasonable expenses incurred in the enforcement of the Franchisor's rights, including reasonable attorneys' fees and expenses.

4.4 *Severability*. In the event that any one or more provisions of this Guaranty and Assumption of Obligations are deemed unenforceable or void, the remaining provisions will continue to be valid and enforceable.

4.5 *Amendments*. This Guaranty and Assumption of Obligations may not be modified or amended except in writing signed by the Franchisor and the Guarantor to be bound by such modification or amendment.

IN WITNESS WHEREOF, the Guarantor has signed this Guaranty as of the date of the Franchise Agreement.

GUARANTOR:

Signature

Print name

Home address

Acknowledged and agreed:

AUNTEA JENNY BRAND MANAGEMENT LLC

By _____

Title _____

Date _____

AUNTEA JENNY
LEASE ADDENDUM

This Addendum to the lease dated as of _____ (the "Lease") between _____ (the "Landlord") and _____ (the "Tenant") is entered into together with AUNTEA JENNY BRAND MANAGEMENT LLC, a Delaware limited liability company (the "Franchisor"), as of the effective date of the Lease.

Pursuant to the Lease, the Landlord will lease or has leased to the Tenant certain real property and improvements located at _____ (the "Leased Premises") for the operation of a franchised Auntea Jenny shop.

The Tenant will develop and operate the Auntea Jenny shop pursuant to the terms of a Franchise Agreement dated as of _____ (the "Franchise Agreement") with the Franchisor, which Franchise Agreement, among other things, authorizes the Tenant to use the Auntea Jenny system and trademarks in operating an Auntea Jenny shop franchise (the "Franchised Business").

The Franchise Agreement requires, among other things, that the Lease contain certain provisions. The parties desire to supplement the Lease pursuant to the provisions set forth below.

Notwithstanding anything to the contrary in the Lease, the Landlord, the Tenant and the Franchisor agree as follows:

1. **Signage.** So long as the Tenant complies with the terms of the Lease and applicable law, the Landlord consents to the Tenant's use of the proprietary signs, distinctive exterior and interior designs, colors and layouts, and the trademarks prescribed by the Franchisor, and upon expiration or the earlier termination of the Lease, consents to permit the Tenant, at the Tenant's expense, to remove all such items, so long as the Tenant makes repairs to the Leased Premises caused by such removal.
2. **Consent to Collateral Assignment & Assumption of Lease by Franchisor.** The Landlord consents to the collateral assignment of the Lease from the Tenant to the Franchisor. The Landlord acknowledges that the Franchise Agreement grants to the Franchisor the right, but not the obligation, to assume the Lease in the event of a default by the Tenant under the terms of the Lease or under the Franchise Agreement. Upon any such assumption of the Lease by the Franchisor, the Franchisor will give the Landlord notice of the assumption of the Lease and the Franchisor will thereafter be bound by all of the terms and conditions in the Lease. Upon receipt of such notice, the Landlord agrees to recognize the Franchisor as the new tenant under the Lease, without the signing by the Tenant of an assignment and assumption agreement. Unless and until the Franchisor exercises its rights under the Franchise Agreement and the provisions of this Addendum and agrees in writing to assume the Lease, the Franchisor will have no liability or obligation under the Lease.
3. **Notice.** The Landlord will deliver to Franchisor copies of any and all default notices or notice of termination sent to the Tenant relating to the Leased Premises at the same time that such letters or notices are sent to the Tenant. The Franchisor's address for any such notice is as follows:

Auntea Jenny Brand Management LLC
4695 Chabot Dr, Suite 200, Rm 220
Pleasanton, CA 94588

In the event that the notice is a default notice and the Tenant fails to timely cure the default described in the notice, the Franchisor shall have a fifteen-day period to cure the Tenant's default.

The Franchisor shall have the option, but not the obligation, to effect a cure before the Landlord exercises any remedies; provided, however, that the Landlord shall have the right to exercise any rights and remedies available at law, in equity, or under the Lease, if the Franchisor fails to cure such default within such fifteen-day period. The Franchisor's election to cure shall not be deemed an election to assume the Lease, unless and until the Franchisor expressly does so in writing. If the Franchisor elects not to cure the breach or default or fails to cure such default within the time periods prescribed herein, the Landlord may proceed directly against the Tenant in the manner provided in the Lease but will have no remedy against the Franchisor.

4. **Refranchising.** At any time following the Franchisor's election to take an assignment of the Tenant's rights under the Lease, the Franchisor may, upon written notice to the Landlord, assign the Lease or sublet the Leased Premises to an affiliate of the Franchisor approved by the Landlord or to a franchisee approved by the Franchisor and the Landlord, without charge or penalty, so long as the Landlord approves of such affiliate or franchisee in writing in advance. The Landlord's consent will not be unreasonably withheld, conditioned or delayed. Upon any such assignment, the Franchisor shall be released from any further obligations under the Lease. The Landlord agrees to execute written documentation confirming any such assignment and release in a form reasonably acceptable to Landlord.
5. **Additional Covenants.** The Tenant and the Landlord agree that they will not amend, modify, or alter any other Lease term without the Franchisor's prior written consent. The Tenant may not assign its interest in the Lease, nor sublet all or any portion of the Leased Premises, without the Franchisor's prior written consent.
6. **De-Identification.** Upon the expiration or termination of the Franchise Agreement, the Franchisor will have the right to cause a de-identification of the Leased Premises by entering to make any modifications and to remove signs and fixtures to protect the franchise system, as determined by the Franchisor in its sole discretion, without being guilty of trespass or liable for any tort; provided, however, in no event shall the Franchisor have the right to make any alterations to the Leased Premises that affect the structure or the building systems serving the Leased Premises, and provided further, that prior to the commencement of any such work, the Franchisor shall deliver to the Landlord plans for any such work, which plans shall be subject to the prior, written approval of the Landlord. The Franchisor agrees to repair any damage to the Leased Premises or the property of which it is a part caused by any such entry, modifications and removals.
7. **Effect.** This Addendum supplements the Lease and shall apply during the entire term of the Lease, including any renewal terms. In the event of a conflict between the terms of the Lease and the terms set forth in this Addendum, the terms set forth in this Addendum will govern and control as between the Landlord and the Franchisor, but the Lease shall control as between the Landlord and the Tenant. This Addendum will be binding upon, and will inure to the benefit of, the parties and their successors, assigns, heirs and personal representatives.
8. **Counterparts & Execution.** This Addendum may be executed in counterparts, and each copy so executed and delivered shall be deemed to be an original. Each of the persons executing this Addendum on behalf of each party represents and warrants that such party has the full right, power and authority to execute and deliver this Addendum and that each person signing on such party's behalf is authorized to do so.

[Signatures on next page]

The Landlord, the Tenant and the Franchisor have executed this Addendum on the dates written below their respective signatures with effect as of the effective date of the Lease.

LANDLORD

TENANT

By _____

By _____

Title _____

Title _____

Date _____

Date _____

AUNTEA JENNY BRAND MANAGEMENT LLC

By _____

Title _____

Date _____

AUNTEA JENNY SUPPLY CHAIN LLC

AUNTEA JENNY SUPPLY AGREEMENT

AGREEMENT dated as of _____, between AUNTEA JENNY SUPPLY CHAIN LLC, a Delaware limited liability company ("AJ Supply"), and _____, a _____ (the "Franchisee").

The Franchisee is entering into or has entered into one or more franchise agreements (each referred to as the "Franchise Agreement") with AJ Supply's affiliate, Auntea Jenny Brand Management LLC, a Delaware limited liability company (the "Franchisor"). Under each Franchise Agreement, the Franchisor grants to the Franchisee the right and license to open and operate an Auntea Jenny retail shop at a specified location, selling a variety of freshly-made and unique teas, including fruit and milk teas with grain toppings, and other beverages and menu items (the "Franchised Shop"). The Franchise Agreement provides that AJ Supply will supply certain equipment to the Franchisee (the "Equipment") and that AJ Supply will be the Franchisee's sole source of supply of tea, concentrates and flavoring ingredients, as well as packaging materials, cups, menu boards, signs and other merchandise that the Franchisee will use in the franchised business (the "Products").

Therefore, the parties agree as follows:

1. SUPPLY OF PRODUCTS AND EQUIPMENT

1.1 **Sole Supplier.** The Franchisee will purchase the Products solely from AJ Supply or such other source as Auntea Jenny Brand Management LLC may specify or approve in writing. The Franchisee will purchase solely from AJ Supply such Products and Equipment as the Franchisor may specify in writing.

1.2 **Orders.** The Franchisee will place orders for Products and Equipment by telephone or e-mail, or such other method as AJ Supply permits. The Franchisee will place no individual Product order for less than such minimum quantity that AJ Supply specifies from time to time in writing. Orders will be for no more than a reasonable quantity of Products for resale at the Franchised Shop or Shops, as determined by AJ Supply. Each order will constitute a separate contract of sale.

1.3 **Prices.** The prices to the Franchisee for all Equipment and Products will be those listed in AJ Supply's then current price list as issued by AJ Supply from time to time. AJ Supply may change its prices at any time upon prior notice to Franchisee. The prices applicable to any specific order will be those in effect at the time the order is placed. Prices do not include the cost of delivery and insurance to Franchisee from an AJ Supply warehouse in the U.S. or, if applicable, from a U.S. port of entry. Prices for delivery and insurance from an AJ Supply warehouse in the U.S. or from a U.S. port of entry will be stated separately upon AJ Supply's confirmation of each order. AJ Supply will endeavor to source the Equipment and Products in a manner that is the most economical to the Franchisee and that allows for the fastest delivery. When appropriate, an AJ Supply representative will offer the Franchisee choices in this regard.

1.4 **Payment.** The Franchisee will pay AJ Supply for each order in full in advance in such manner as AJ Supply designates. The Franchisee will bear the cost of all bank processing fees. AJ Supply has the right at any time, upon reasonable notice to the Franchisee, to require that the Franchisee pay all sums owed to AJ Supply or to any of its affiliates electronically through one or more depository transfer accounts or using such methods as AJ Supply may designate in writing. At the request of AJ Supply, the Franchisee agrees to execute such documents as AJ Supply determines are necessary for AJ Supply to process electronic funds transfers from the Franchisee's designated bank account for payment of the fees the Franchisee owes to AJ Supply. The Franchisee will bear all costs to establish and maintain the required electronic payment system, and all bank service charges. The Franchisee will comply with AJ Supply's procedures for electronic payment, which AJ Supply may modify from time to time, including the maintenance of such minimum bank account balance as AJ Supply may specify from time to time.

1.5 **Delivery.** AJ Supply will make all arrangements for shipping Equipment and Products to the Franchisee either from an AJ Supply facility in the U.S. or from a port of entry in the U.S., as determined by AJ Supply. Unless the Franchisee requests a specific carrier, shipments will be made by a carrier selected by AJ Supply. Shipments sourced from abroad may take six to eight weeks to deliver to Franchisee from the date ordered. AJ Supply will use commercially reasonable efforts to ensure the timely delivery of the quantities of Equipment and Products ordered by the Franchisee from time to time; provided, however, that AJ Supply will not be liable for any delay or default in any shipment. In addition to the cost of the Equipment and Products referred to in Section 1.3, the Franchisee will bear the cost of freight, insurance, taxes and any other costs that may be incurred from an AJ Supply warehouse in the U.S. or from the port of entry to the Franchisee.

1.6 **Interest on Late Payments.** If any payment the Franchisee makes to AJ Supply is rejected by the Franchisee's bank because of insufficient funds, the Franchisee will pay AJ Supply \$50 for each occurrence. In addition, the Franchisee will pay interest at the rate of one and one-half (1½ %) percent per month or the highest rate allowed by law, whichever is less, on all unpaid balances.

2. **Use of Equipment and Products**

2.1 **Resale at the Franchised Shop.** The Franchisee agrees that all Equipment and Products purchased by the Franchisee from AJ Supply will be used by Franchisee only in its franchised AUNTEA JENNY business at the Franchised Shop or Shops designated in the purchase order.

2.2 **Non-Diversion.** The Franchisee will not sell any of the Equipment or Products to any other person or entity if the Franchisee knows or has reason to believe that the purchaser intends to resell such Equipment or Products.

2.3 **Personnel.** The Franchisee will inform the Franchisee's employees of the restrictions contained in Sections 2.1 and 2.2 and will inform its new employees of such restrictions from time to time for so long as this Agreement continues in effect.

3. **Warranties**

3.1 **Limited Warranty.** AJ Supply extends the manufacturer's warranty on all Equipment it sells to the Franchisee. In the absence of a manufacturer's warranty, AJ Supply warrants to the Franchisee that all Products sold pursuant to this Agreement will be free from defects in manufacture.

3.2 **Defective Products.** If the Franchisee receives any Products or Equipment that is defective or damaged, or if a delivery is incomplete, the Franchisee will notify AJ Supply within 48 hours after the Franchisee's receipt of the Products or Equipment. Upon verification, AJ Supply will send replacement Equipment or Products to the Franchisee at no charge. AJ Supply will not accept the return of any Equipment or Products without AJ Supply's prior written approval. The remedies set forth in this Section 3.2 constitute the sole and exclusive remedies available to the Franchisee for breach of warranty or for shortage or damaged Equipment or Products.

3.3 **No Consequential Damages.** EXCEPT FOR THE EXPRESS WARRANTY SET FORTH ABOVE, AJ SUPPLY MAKES NO WARRANTY, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PURPOSE OR OTHERWISE. IN NO EVENT WILL AJ SUPPLY BE LIABLE FOR ANY SPECIAL, CONSEQUENTIAL OR OTHER DAMAGES FOR BREACH OF WARRANTY. IN NO EVENT WILL THE LIABILITY OF AJ SUPPLY FOR ANY DAMAGES EXCEED THE PRICE PAID BY THE FRANCHISEE, REGARDLESS OF THE CLAIM.

4. **Term and Termination**

4.1 **Term and Termination.** This Agreement will become effective as of the date first above written and will continue in effect with respect to each Franchised Shop for so long as the Franchise Agreement for such Franchised Shop remains in effect unless this Agreement is sooner terminated by mutual consent or pursuant to Section 4.2. This Agreement will terminate automatically with respect to each Franchised Shop upon the expiration or termination of the Franchise Agreement for such Franchised Shop.

4.2 **Termination by Either Party.** Either party may terminate this Agreement upon written notice to the other party with immediate effect in the event that the other party (i) breaches a material provision of this Agreement and fails to cure such breach within thirty days after notice from the nonbreaching party, which notice will specifically refer to this provision, or (ii) becomes insolvent or is unable to pay its debts as they become due, is adjudicated a bankrupt, or a petition in bankruptcy or reorganization is filed by or against it and any such petition is not discharged within sixty days after it is filed, or a permanent or temporary receiver or trustee for all or substantially all of such party's property is appointed by any court, or if such party makes an assignment for the benefit of its creditors or an arrangement pursuant to any bankruptcy law.

4.3 **Consequences of Termination.** Upon the termination of this Agreement for any reason, the Franchisee will tender to AJ Supply all unsold and unused inventory of Products and all Equipment purchased by Franchisee from AJ Supply. AJ Supply will reimburse the Franchisee for all Products that are in good and usable condition at the purchase price minus a 20% restocking fee. AJ Supply will have the right, but not the obligation, to purchase some or all of the Equipment. The purchase price for such equipment will be its fair market value as agreed by the parties or, if they are unable to agree, as determined by one independent appraiser agreed to by the parties. The parties will share the cost of the appraiser equally. Before exercising its purchase right under this section, AJ Supply will have the right to enter the premises of the franchised business during reasonable hours to inspect the Equipment. If AJ Supply elects to exercise its purchase right under this section, AJ Supply will give the Franchisee written notice of its intent to do so within 30 days after the expiration or termination of this Agreement. AJ Supply will have the right to offset all amounts the Franchisee owes to AJ Supply or its affiliates against any payment due to Franchisee under this section.

5. **Miscellaneous**

5.1 **Assignment.** This Agreement is personal to the Franchisee. The Franchisee may not assign or transfer this Agreement except in conjunction with a Transfer in accordance with the terms of the Franchise Agreement. AJ Supply may assign this Agreement to any party upon written notice to the Franchisee.

5.2 **Franchise Agreement.** As a condition to AJ Supply's obligations under this Agreement, the Franchisee will enter into at least one Franchise Agreement. AJ Supply will not be obligated to supply any Products pursuant to this Agreement until the Franchise Agreement has been signed by both parties to such agreement.

5.3 **Compliance.** The Franchisee will comply with each Franchise Agreement and with all applicable local, state and federal laws.

5.4 **Independent Contractor.** This Agreement does not appoint either party as the agent or legal representative of the other party for any purpose whatsoever. Neither party is granted any right or authority to assume or to create any obligation or responsibility, express or implied, on behalf of or in the name of the other party, unless otherwise specifically agreed to in writing.

5.5 **Severability.** Whenever possible, each provision of this Agreement will be interpreted in such a manner as to be effective and valid under applicable law, but if any provision is prohibited by or is declared

invalid under applicable law, such prohibition or invalidity will not invalidate the remainder of such provision or the other provisions of this Agreement.

5.6 **No Waiver of Rights.** No delay or failure to exercise any right or remedy provided for in this Agreement will be deemed to be a waiver of such right or remedy or acquiescence in the event giving rise to such right or remedy. No waiver will be binding unless contained in a writing signed by the party waiving its rights. Any waiver is limited to the specific situation in which it is given and no waiver of any breach or default under this Agreement will be construed as a waiver of any earlier or succeeding breach or default.

5.7 **Notices.** All notices, requests, consents and other communications required or permitted by this Agreement will be in writing and will be delivered by hand or by a reputable courier service to the following address, or such other address as either party, by like notice, designates with respect to its own address:

If to Auntea	Auntea Jenny Supply Chain LLC	If to the	[insert address for notice]
Jenny	4695 Chabot Dr, Suite 200, Rm 220	Franchisee	
Supply:	Pleasanton, CA 94588	:	

Any such notice, request, consent or other communication will be deemed given and be effective upon receipt at such address.

5.8 **Limitation of Actions.** Any and all claims and actions arising out of or relating to this Agreement brought by either party against the other must be brought or asserted before the expiration of the earlier of (a) the time period for bringing an action under any applicable statute of limitations; (b) one year after the date upon which a party discovered, or should have discovered, the facts giving rise to the claim; or (c) two years after the first act or omission giving rise to the alleged claim. Claims and actions not brought within such time period will be irrevocably barred.

5.9 **Waiver of Punitive Damages and Jury Trial.** Each party waives to the fullest extent permitted by law any right to or claim of any punitive or exemplary damages against the other party and agrees that any recovery in a dispute between the parties will be limited to equitable relief and to the recovery of actual damages sustained. Each party irrevocably waives trial by jury in any action, proceeding or counterclaim brought by either party.

5.10 **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the State of California.

5.11 **Entire Agreement.** This Agreement constitutes the entire understanding of the parties and supersedes any and all prior oral or written agreements between the parties on the matters contained in this Agreement. No amendment to this Agreement will be binding unless such amendment is in writing and executed by the parties.

The parties have signed this Agreement on the dates set forth below, with effect as of the date stated in the opening paragraph of this Agreement.

AUNTEA JENNY SUPPLY CHAIN LLC	[Franchisee]
-------------------------------	--------------

By _____

By _____

Title _____

Title _____

Date _____

Date _____

AUNTEA JENNY BRAND MANAGEMENT LLC

CONSENT TO TRANSFER AGREEMENT

[Sale of Assets – Before or at Closing]

AGREEMENT dated as of _____, by and among _____, a _____ [limited liability company] [corporation] (the “Buyer”); _____ [limited liability company][corporation] (the “Seller”); _____, residing at _____ and _____, residing at _____, the members of Seller (collectively “Seller’s Owners”); and AUNTEA JENNY BRAND MANAGEMENT LLC, a Delaware limited liability company (“we” or “us”).

1. **Purpose of this Agreement.** The Buyer entered into an agreement with the Seller dated _____ (the “Purchase Agreement”) for the Buyer’s purchase from the Seller of the franchise rights and other assets of the Seller’s Auntea Jenny franchised business located at _____ (the “Site”). The Buyer and the Seller understand that any transfer of the franchise rights requires our prior consent pursuant to the franchise agreement between us and the Seller dated as of _____ (the “Seller’s Franchise Agreement”), which agreement states additional conditions to a transfer in Section 4.2.4. This Agreement is being signed at or before the closing described in the Purchase Agreement (the “Closing”).

2. **Conditional Consent to Transfer.** We consent to the transfer of the franchise rights and other assets from the Seller to the Buyer pursuant to the Purchase Agreement provided that (i) all of the conditions described in Section 4.2.4 of the Seller’s Franchise Agreement are satisfied, (ii) the Buyer signs a new franchise agreement with us (the “New Franchise Agreement”) to replace the Seller’s Franchise Agreement, (iii) [the][each] owner of the Buyer signs a personal guarantee of the Buyer’s obligations under the New Franchise Agreement, (iv) the Buyer signs a new supply agreement with our affiliate, Auntea Jenny Supply Chain LLC, (v) the Closing occurs within 90 days from the date of this Agreement, and (vi) the landlord accepts the Buyer as the new tenant at the Site in place of the Seller. If the Closing does not take place within this 90-day period, then any subsequent transfer will require a new consent from us or an amendment to this consent.

3. **Successor Franchise Agreement.** Upon the signing of the New Franchise Agreement, a new guaranty from Buyer’s owner or owners, and a new supply agreement, the Seller’s Franchise Agreement will terminate and all of Seller’s rights under the Seller’s Franchise Agreement will end.

4. **Release.** The Seller and the Seller’s Owners hereby release, discharge and hold harmless us and our past and present affiliated companies, successors, assignees and each of our and their past and present members, managers, directors, officers employees, agents, attorneys, owners, shareholders, partners, designees and representatives, from any and all debts, losses, damages, expenses, claims, demands, actions, causes of action, liabilities, costs or obligations arising from or in any way connected with the ownership or operation of the Franchised Business at the Site before the date of this Agreement, which the Seller may have had, now has or may hereafter discover, whether known or unknown, foreseen or unforeseen, to the extent permitted by law.

5. **Continuing Obligations.** After the Closing and provided that the Seller has complied with its obligations under Paragraph 2 above, the Seller and the Seller’s Owners will be relieved of all of their in-term obligations under their personal guaranties with the exception of any unfulfilled in-term obligations that we have not yet discovered; provided, however, that the Seller and the Seller’s Owners acknowledge that the transfer of the assets of the franchised business from the Seller to the Buyer will not terminate their post-term obligations under the Seller’s Franchise Agreement. The post-term obligations include the obligations not to disclose any of our confidential information and not to compete with us, as set forth in Sections 3.2 and 3.3 of the Seller’s Franchise Agreement.

6. **We Make No Representations.** The Buyer acknowledges that the transfer of the Franchise Agreement has not been effected by or through any of our efforts. In entering into the Purchase Agreement, the Buyer acknowledges that the Buyer has not relied on any representation from us or any of our representatives other than the content of the current Auntea Jenny franchise disclosure document, that the Buyer has had the opportunity to consult with the Buyer's own financial, accounting and legal advisors, and that the Buyer has independently satisfied itself that all of the terms and conditions of the sale and purchase, including, without limitation, the purchase price, are satisfactory and acceptable to the Buyer.

7. **Entire Agreement.** This Agreement constitutes the entire understanding of the parties and supersedes any prior oral or written agreements among and between the parties with respect to its subject matter.

8. **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the State of California.

The parties have signed this Agreement on the dates set forth below.

[Buyer]

[Seller]

By _____

By _____

Title _____

Title _____

Date _____

Date _____

[Seller's Owner 1]

[Seller's Owner 2]

Date _____

Date _____

AUNTEA JENNY BRAND MANAGEMENT LLC

By _____

Title _____

Date _____

RENEWAL ADDENDUM TO AUNTEA JENNY FRANCHISE AGREEMENT

between

AUNTEA JENNY BRAND MANAGEMENT LLC

and

[insert name of franchisee]

This Addendum modifies and amends the Auntea Jenny Franchise Agreement dated as of _____ (the "Renewal Franchise Agreement"), between AUNTEA JENNY BRAND MANAGEMENT LLC ("we" or "us") and _____ [insert name of franchisee] ("you").

1. **Purpose of this Agreement.** You and we entered into an Auntea Jenny franchise agreement dated as of _____ (the "Original Franchise Agreement"). You desire to renew the Original Franchise Agreement by entering into the Renewal Franchise Agreement, as modified by this Addendum, and by complying with the other renewal requirements under the Original Franchise Agreement. This Addendum is being signed simultaneously with the signing of Renewal Franchise Agreement.

2. **Renewal Fee.** In accordance with Sections 2.1.8.9 and 5.1.2.8 of the Original Franchise Agreement, you will not be required to pay the initial franchise fee stated in the Renewal Franchise Agreement. Instead, you will pay us a renewal fee in the amount of \$_____, which is equal to 50% of the current initial fee, and prorated if the renewal term is shorter than the standard term of the current Auntea Jenny franchise agreement.

3. **Release.** You hereby release, discharge and hold harmless us and our past and present affiliated companies, successors, assignees and each of our and their past and present members, managers, directors, officers employees, agents, attorneys, owners, shareholders, partners, designees and representatives, from any and all debts, losses, damages, expenses, claims, demands, actions, causes of action, liabilities, costs or obligations arising from or in any way connected with the sale or operation of your franchise up to the date of this Agreement, which you may have had, now have or may hereafter discover, whether known or unknown, foreseen or unforeseen, to the extent permitted by law.

AUNTEA JENNY BRAND MANAGEMENT LLC

[Franchisee]

By _____

By _____

Title _____

Title _____

Date _____

Date _____

STATE ADDENDA

CALIFORNIA ADDENDUM

THE REGISTRATION OF THIS FRANCHISE OFFERING BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE COMMISSIONER.

OUR WEBSITE WWW.AUNTEAJENNY.COM.MY HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION AT [HTTPS://DFPI.CA.GOV](https://DFPI.CA.GOV).

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

Section 31125 of the Franchise Investment Law requires us to give to you a disclosure document in a form containing the information that the commissioner may by rule or order require.

Item 3 – LITIGATION

Neither the franchisor nor any person listed in Item 2 of the FDD is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in that association or exchange.

Item 17 – RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

According to Item 17r, the Franchise Agreement requires you not to compete with us for a period of two years after the agreement is terminated or expires. This provision may not be enforceable under California law.

You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

Section 5.2.2.22 of the Franchise Agreement allows us to terminate if you become insolvent or if a petition in bankruptcy is filed by you or filed against and consented to by you or not dismissed within 30 days. These provisions may not be enforceable under federal bankruptcy law. (11 U.S.C.A. § 101 et seq.)

Any provision of a franchise agreement, franchise disclosure document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:

- (a) Representations made by the franchisor or its personnel or agents to a prospective franchisee.
- (b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.
- (c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.
- (d) Violations of any provision of this division.

The page that follows constitute an addition to the Franchise Agreement for California.

CALIFORNIA ADDENDUM TO THE AUNTEA JENNY FRANCHISE AGREEMENT

between

AUNTEA JENNY BRAND MANAGEMENT LLC

and

This Addendum modifies and amends the Auntea Jenny Franchise Agreement dated as of _____, between AUNTEA JENNY BRAND MANAGEMENT LLC and _____ (the "Franchise Agreement").

1. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise. See NASAA STATEMENT OF POLICY REGARDING THE USE OF FRANCHISE QUESTIONNAIRES AND ACKNOWLEDGMENTS.

<https://www.nasaa.org/wp-content/uploads/2022/11/sop-franchise-questionnaires.pdf>.

2. In all other respects, the Franchise Agreement is unchanged.

AUNTEA JENNY BRAND MANAGEMENT LLC

[Franchisee]

By _____

By _____

Title _____

Title _____

Date _____

Date _____

NEW YORK ADDENDUM

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

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

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

Except as provided above, the following applies 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 that is 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 ten years 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 a 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; this proviso intends 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 a 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 the franchisee by Article 33 of the General Business Law of the State of New York.

6. Franchise Questionnaires and Acknowledgements--No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

EXHIBIT H

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 Franchise Disclosure 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:

<i>State</i>	<i>Effective Date</i>
California	
New York	

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.

RECEIPTS

When you receive this Franchise Disclosure Document, please sign and return one copy of the receipt page to our headquarters office. We cannot process your application until we receive a properly signed receipt.

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully. If Auntea Jenny Brand Management LLC offers you a franchise, it must provide this disclosure document to you at least 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires that we give you this disclosure document at the earlier of the first personal meeting to discuss the sale of a franchise or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Auntea Jenny Brand Management LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the applicable state agency listed in Exhibit A, which also includes a list of our agents authorized to receive service of process.

The name, principal business address and telephone number of each seller offering the franchise is indicated below:

<i>Name</i>	<i>Address</i>	<i>Telephone Number</i>
Shan Weijun Jian (Jay) Zhao Hongxun (Chuck) Liu	Auntea Jenny Brand Management LLC 4695 Chabot Dr, Suite 200, Rm 220 Pleasanton, CA 94588	949-867-1611

Other: _____

Date of Issuance: _____, 2025

I have received the Auntea Jenny franchise disclosure document dated _____, 2025. This disclosure document includes the following Exhibits:

A	State Administrators and Agents for Service of Process	Franchise Agreement Guaranty
B	List of Franchisees	Lease Addendum
C	Franchisee Organizations	Supply Agreement
D	Financial Statements	Consent to Transfer Agreement
E	Table of Contents of Manual	Renewal Addendum
F	Agreements and Forms Franchise Deposit Agreement	G State Addenda H State Effective Dates

_____ Signature	_____ Print name	_____ Date
--------------------	---------------------	---------------

Please sign, date and return this receipt to: info@aunteajenny.com.my

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully. If Auntea Jenny Brand Management LLC offers you a franchise, it must provide this disclosure document to you at least 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires that we give you this disclosure document at the earlier of the first personal meeting to discuss the sale of a franchise or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Auntea Jenny Brand Management LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the applicable state agency listed in Exhibit A, which also includes a list of our agents authorized to receive service of process.

The name, principal business address and telephone number of each seller offering the franchise is indicated below:

<i>Name</i>	<i>Address</i>	<i>Telephone Number</i>
Shan Weijun Jian (Jay) Zhao Hongxun (Chuck) Liu	Auntea Jenny Brand Management LLC 4695 Chabot Dr, Suite 200, Rm 220 Pleasanton, CA 94588	949-867-1611

Other: _____

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D	Financial Statements	Consent to Transfer Agreement
E	Table of Contents of Manual	Renewal Addendum
F	Agreements and Forms Franchise Deposit Agreement	G State Addenda H State Effective Dates

_____ Signature	_____ Print name	_____ Date
--------------------	---------------------	---------------

Please sign, date and return this receipt to: info@aunteajenny.com.my