FRANCHISE DISCLOSURE DOCUMENT
Casey Hawkins, Inc., an Oregon corporation
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The franchise offered is to operate an espresso outlet branded THE HUMAN BEAN, specializing in the preparation and sale of espresso coffee and related products and services.

The total investment necessary to begin operation of this franchise ranges from $582,090 to $1,298,903. This includes $131,000 that must be paid to franchisor or an Affiliate. Area developers pay $10,000 per location, applied to the initial franchise fees as units open in the area. Area developers must commit to opening at least two (2) or more units.

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 payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **No governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in electronic form or another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Casey Hawkins, Inc. at 623 Rossanley Drive, Medford, OR 97501 and (888) 262-2215.

The terms of your contract will govern your franchise relationship. Do not 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, such as 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 (FTC). 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 on franchising.

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

DATE OF ISSUANCE: March 5, 2025 as amended February 18, 2026.

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.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Exhibit G 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 The Human Bean business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a franchisee of The Human Bean?	Item 20 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 the franchisor fees and pay the franchisor for supplies needed to stay open, 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 F.

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 and area development agreements require you to resolve disputes with us by arbitration only in Medford, Oregon. Out of state arbitration may force you to accept a less favorable settlement for disputes. It may also cost you more to arbitrate with us in Oregon than in your own state.

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

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Exhibits

Ex. A	State-Specific Riders to the Franchise Disclosure Document
Ex. B	Franchise Agreement, Lease Addendum, State-Specific Amendments, Guaranty Agreement, Electronic Funds Transfer Authorization, Manager's Confidentiality Agreement, and Form of Release Agreement
Ex. C	Site Analysis Agreement
Ex. D	Operations Manual Table of Contents
Ex. E	Agents for Service of Process
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Item 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language in this Disclosure Document, "we," "our," "us" or "THB" means CASEY HAWKINS, INC, the franchisor. "You" or "franchisee" means the individual person, as well as any corporation, partnership, or other legal entity (including the owners of the legal entity) who buys a franchise. If, during the term of the franchise, you transfer ownership of the franchise to a corporation or other legal entity, we will require you and any other owners of the corporation or legal entity to continue to guarantee its obligations.

We are an Oregon corporation which was incorporated on February 4, 2002. We have affiliates but we have no parent company. Our principal business address is 623 Rossanley Drive, Medford, OR 97501, and our telephone number is (888) 262-2215. We conduct business under our corporate name, Casey Hawkins, Inc., and The Human Bean. We do not conduct business under any other name. A non-controlling interest in Casey Hawkins, Inc. is owned by Scott Anderson, its chief operating officer (see Item 2).

Our business includes the offer and sale of THB franchises. We do not and have never owned or operated any business similar to the franchised business, but our affiliates do (below). A THB franchise is a license to operate a THB outlet (referred to as the "drive-through," "unit," "outlet," "franchise," or "store") under the terms of the franchise agreement attached as Exhibit B to this Disclosure Document (the "Franchise Agreement"). Our agents for service of process in the various states where we do business are listed on Exhibit E to this Disclosure Document.

Our Predecessors and Affiliates

We have offered THB franchises since March 2002.

We have not offered franchises in any other line of business.

"Affiliate" of THB means a company owned and controlled by the majority owners of the franchisor. Our affiliates include seven other companies: The Human Bean of Central Point, Inc., an Oregon corporation incorporated on October 2, 2000; The Human Bean of Ashland, Inc., an Oregon corporation incorporated on October 2, 2000; The Human Bean, Inc., an Oregon corporation incorporated on February 10, 2000 (THBI); The Human Bean North I, Inc. (THBN I), an Oregon corporation incorporated on November 14, 2016; The Human Bean North II, Inc., an Oregon corporation incorporated on November 14, 2016 (THBN II); Bright Energy Drink, LLC, an Oregon limited liability company formed in July, 2023 (Bright, LLC); and Centerline Coffee Roasting, LLC, an Oregon limited liability company formed in September, 2023 (Centerline). A non-controlling interest in THBN I is owned by Kim Steenslid, its district manager.

Our affiliates' first THB outlets opened in southern Oregon in 1998. The Ashland location opened in June, 1998 and the original Central Point location opened in July, 1998. Before October 2, 2000 the Ashland location was owned and operated as a sole proprietorship.

The Human Bean of Ashland, Inc. owns and operates the Ashland location. The Human Bean of Central Point, Inc. owns and operates the original Central Point location, and a second Central

Point location that opened in August of 2003. Before October 2, 2000 the original Central Point location was owned and operated as a sole proprietorship.

THBI currently owns and operates four locations in Oregon: Stewart (opened May 2000), Barnett (opened April 2001), Biddle Road (opened February 2000) and Rossanley (opened February 2003). In 2012 THBI acquired three existing outlets in Grants Pass, Oregon from a franchisee (Curtis Drive, F Street and 6th Street) and in 2013 THBI sold these three outlets to another franchisee. A fifth location, Bear Creek, was opened by THBI in 2004, and closed in 2022 after the expiration of its premises lease.

THBN I currently owns and operates three locations in Oregon: Canby (opened June 2007), Cornelius (opened March 2008), and Beaverton (opened July 2008).

THBN II currently owns and operates two locations in Oregon: Newberg (opened April 2014), and Hillsboro (acquired from a franchisee in February, 2015).

Bright, LLC is our affiliate, the owner of the registered trademark BRIGHT for energy drinks, and the sole supplier of the BRIGHT-branded energy drinks sold in cans and blends at the THB outlets. Centerline is our affiliate, and the owner of the stylized mark CENTERLINE for coffee roasting and roasted coffee beans. Centerline is also the primary supplier of coffee beans to our affiliates and franchisees. The affiliated companies all have the same primary address as us. Other than the outlets owned or operated by these related companies, we do not own or operate any THB outlets. See Item 8 of this Disclosure Document for additional details.

Portland Coffee Holdings, LLC, an Oregon limited liability company formed in August, 2000 (PCH), is our former primary supplier of coffee. The majority owners of THB had a non-controlling ownership interest in Portland Coffee Holdings, LLC until September of 2025. PCH remains an authorized supplier to our franchisees and affiliate-owned outlets. See Item 8 of this Disclosure Document for additional details.

None of the related companies has ever offered franchises. We and the related companies retain the right to open additional THB outlets (except within the exclusive area granted to you).

The Franchise

We offer you a franchise that includes the right to operate a retail outlet under the trade name "The Human Bean" using the business format established by us and identified by our trademarks. Your THB outlet may be a freestanding or attached structure, but it must have at least one drive-through lane. Your outlet must be located in an area which meets our site selection criteria and must be operated in accordance with our standards and specifications. As a franchisee, you must sign a Franchise Agreement (see Exhibit B). We may change the form and terms of the agreements used with other franchisees in the future.

If you qualify, you may also acquire the right and obligation to develop a number of THB outlets within a development area under our Area Development Agreement (Exhibit H). The exact number of THB outlets to be developed will be determined by you and us before the Area Development Agreement is signed. You must sign our then-current form of franchise agreement (which may differ from the one included with this FDD) for each THB outlet you develop within the

development area, except that the initial franchise fee will be reduced by the amount you have prepaid. See Item 5.

The market for espresso drinks, coffee products, tea drinks and fruit smoothies is generally a developed market. The coffee, tea and smoothie products offered by THB outlets compete with other coffee, tea and smoothie products offered by nationally and regionally franchised retailers, as well as independent and/or local retailers of coffee products.

Before opening, you must obtain licenses or permits required at the federal, state, and local level, relating to construction and operation of a business of this type. You will have to comply with various federal, state, and local laws and regulations, including those related to employment (concerning wage rates, mandated employee benefits, employment taxes, tip reporting, worker safety, unemployment compensation, workers' compensation, teenage labor practices, and employment discrimination); site location and building construction; storage, preparation and sale of food products including dairy products; health, sanitation and safety regulations relating to food service; and state or local requirements for registration of assumed business names (trade names). Your outlet will also be subject to environmental regulations, including for sewage discharge and waste disposal, and to the Americans with Disabilities Act, which requires reasonable accommodations and access for disabled persons in public accommodations and employment. Your franchised business must report and pay various applicable sales, excise, property, income, use and inventory taxes.

Item 2
BUSINESS EXPERIENCE

Our Business Experience

President & CEO: Dan Hawkins

From February, 2002 to the present Mr. Hawkins has been our President and CEO. We are based in Medford, Oregon. From October, 2000 to the present he has been President of The Human Bean of Ashland, Inc., and Vice-President of THBI.

Vice-President: Tom Casey

From October, 2000 to the present Mr. Casey has been President of The Human Bean of Central Point, Inc., and President of THBI. From February, 2002 to the present he has been our Vice-President. We are based in Medford, Oregon.

Chief Operating Officer: Scott Anderson

Mr. Anderson joined in January 2020. From November 2016 to December 2019, he was Senior VP for U.S. Business at The Learning Experience in Deerfield Beach, Florida. From July 2015 to November 2016, he was the CEO of Fresh Alternatives, LLC in Lakeland, Florida.

Franchise Sales Director: Angela Beeks

Ms. Beeks joined in May 2021. From March 2003 to May of 2021, she worked for U.S. Bank in Medford Oregon, most recently as Multi-Site Manager (2015-2019) and Treasury Management Payment Consultant (2019- 2021).

Franchise Development Director: Justin Hawkins

Mr. Hawkins joined us in June of 2019 to work in the finance department and on franchise sales. From 2017 to 2019, Mr. Hawkins worked part-time for The Human Bean in its finance department. Prior to 2017 Mr. Hawkins was a full-time student and not employed.

Chief Marketing Officer: Janie Page

Ms. Page joined in March 2022. From April 2021 to February 2022, she was Vice President of Marketing & New Business at Indo-European Foods in Commerce, California. From January 2019 to March 2021, she was Senior Director of Marketing and New Business Development at Beck Flavors in Maryland Heights, Missouri. From December 2015 to December 2018, she was Director of Marketing at Farmer Brothers in Northlake, Texas.

Vice President, Operations: Christine Dalrymple

Ms. Dalrymple joined in September 2022. From February 2021 to July 2022, she was Vice President of Customer Success and Value Management at Profit Velocity in Austin, Texas. From January 2019 to February 2021, she was Global Value Realization Leader at Sonoco Packaging Company in Hartsville, South Carolina. From April 2007 – January 2019, she held several positions including Director of Commercial Operations and Director of Strategic Accounts at Farmer Brothers in Northlake, Texas.

Item 3
LITIGATION

There is no litigation required to be disclosed in this Item.

Item 4
BANKRUPTCY

No bankruptcies are required to be disclosed in this Item.

Item 5
INITIAL FEES

A. Franchise Agreement

TYPE OF FEE	AMOUNT	WHEN DUE
Initial Franchise Fee	$35,000	Upon signing the Franchise Agreement
Transfer Fee	$5,000	If applicable, upon approval, instead of the Initial Franchise Fee
Equipment	$90,000	Upon placing orders before opening of your THB outlet
Initial Inventory	$6,000	Upon placing orders before opening of your THB outlet
Total Initial Fees:	$131,000	

Initial Franchise Fee

The Initial Franchise Fee is $35,000. The Initial Franchise Fee of $35,000 includes a non-refundable site analysis fee of $5,000. When you have paid the Site Analysis Fee, signed the Site Analysis Agreement (Exhibit C), and submitted all the required information about the proposed site(s), we will evaluate up to ten proposed sites. You may not sign a franchise agreement with us until we have approved a site for your outlet (unless you are an Area Developer). If we do not approve any of your proposed sites within nine (9) months from your payment of the Site Analysis Fee, the Site Analysis Agreement will terminate and we will retain the Site Analysis Fee to cover our cost of analyzing the proposed sites. If you and we agree on a site, we will apply the Site Analysis Fee to the Initial Franchise Fee, and the remainder of $30,000 will be due and payable in full, in a lump sum only, when you sign the Franchise Agreement. You must sign a Franchise Agreement within 90 days of gaining approval of your proposed sites, or you will forfeit your right to apply the Site Analysis Fee to the Initial Franchise Fee.

If within eighteen months after signing the Franchise Agreement you do not open the store for any reason, including your failure to satisfactorily complete the training program, or to lease, purchase or otherwise obtain an approved premises for your outlet, we will have the right to terminate the Franchise Agreement. If we terminate the Franchise Agreement because you did not open the outlet, we will retain $15,000 of the Initial Franchise Fee and refund the remainder to you. See Section 2.2 of the Franchise Agreement. In this case, we will also retain the $5,000 Site Analysis Fee. See Section 4 of the Site Analysis Agreement.

Your license to use our trademarks including “The Human Bean” does not become effective, and you may not open a THB outlet until we notify you that you have satisfied all of the pre-opening conditions set forth in the Franchise Agreement, and we approve the opening.

Transfer and Training Fees

If you obtain your THB store by purchasing a franchise from one of our existing franchisees, then you or the existing franchisee, who is selling you the franchise, must pay us a transfer fee in the amount of $5,000 (the "Transfer Fee") instead of the Franchise Fee. The Transfer Fee is payable immediately upon approval of the transfer.

The transfer fee is fully refundable, if the transfer request is withdrawn before any action by us. Any proposed transfer of the franchise by you requires our prior approval. See Section 12.2 of the Franchise Agreement. If you become a developer, your development rights under the Area Development Agreement will not be transferable except in the event of a death or incapacity. See Section 9 of the Area Development Agreement for details.

Also, if you obtain a franchise from one of our existing franchisees, in our reasonable judgment, we may require you to receive training from us and pay a training fee in the amount of $5,000 (the "Training Fee") plus any associated costs of travel, room and board expenses. See Section 12.8 of the Franchise Agreement.

Equipment

Certain kinds of equipment used at your outlet must be purchased before opening from or through us. See Item 8 for a detailed description of all the equipment. Your cost for equipment to be purchased from or through us is approximately $90,000. The cost of the equipment is not refundable.

Initial Inventory

Roasted coffee beans and certain other coffee products must be purchased from either Centerline or Portland Coffee Holdings, LLC, as THB may direct. Other inventory must be purchased from one of our designated suppliers. See Item 8 of this Disclosure Document for more details on required purchases. The total estimated cost for your initial inventory ranges from $26,000 to $28,000 (see Item 7), of which $6,000 is payable to us or our affiliate. The cost of initial inventory is not refundable.

B. Area Development Agreement

If you sign an Area Development Agreement, you will still pay the Initial Franchise Fee for each franchise outlet to be opened within the development area, but the payment will be distributed over time as follows. The Initial Franchise Fee of $35,000 for the first THB outlet to be opened, plus $10,000 for each additional THB outlet to be opened within the development area (the "Development Fee") are payable at the time the Area Development Agreement is signed. The Site Analysis fee is waived for Area Developers, and Area Developers are not required to have a first site approved by us before signing the Franchise Agreement. The Development Fee is credited towards the future Initial Franchise Fee for each subsequent franchise outlet that is opened, with the balance of each additional Initial Franchise Fee ($25,000) due upon execution of the franchise agreement for each new outlet. Although the Initial Franchise Fee is refundable as stated above, the Development Fee is not refundable under any circumstances. Development Fees and Initial Franchise Fees are uniformly imposed.

Item 6
OTHER FEES

Name of Fee	Amount (See Note 1)	Due Date	Remarks
Renewal Fee	$3,000	Before signing successor franchise agreements.	Applicable if you renew your franchise.
Our costs and attorneys' fees for breach	Will vary	When incurred	See note 2
Audit Fee	Cost of audit	When incurred	See note 3
Brand Fee	1% of Adjusted Gross Sales Revenues (may increase up to 2%)	Monthly by EFT	See note 4
Additional Training Pre-Opening	$60/hour	When incurred	See note 5
Additional On-Site Assistance Post-Opening	$600/day	When incurred	See note 6

We do not charge a royalty fee. We derive revenue from the sale of coffee and other supplies to you by us or our designated suppliers. See Item 8 for details.

Notes:

(1) Except as otherwise noted, all fees are uniformly imposed, nonrefundable and payable to us.

(2) You may have to pay us for our costs and attorneys' fees in obtaining injunctive or other relief if you violate any provisions of the Franchise Agreement and, if the Franchise Agreement allows you time to cure the violation, you do not cure within the time allowed. See Section 14.6.1 of the Franchise Agreement.

(3) If audit results indicate your failure to maintain and provide records as required by the Franchise Agreement or your underreporting of sales or purchases by more than 2 percent during the period covered by the audit, you must reimburse us for the cost of the audit and pay interest on any applicable revenue at a rate of 18 percent per year or the highest rate permitted by law, whichever is less. See Section 11.2 of the Franchise Agreement.

(4) The Brand Fee is 1% of your Adjusted Gross Sales Revenues. Adjusted Gross Sales Revenues means gross sales revenues less taxes, promotional discounts, and delivery fees (as defined at Section 2.3 of the Franchise Agreement). We will not increase the Brand Fee

to more than 2% of Adjusted Gross Sales Revenues. See Item 11 and the Electronic Funds Transfer Authorization in Exhibit B.

(5) If you do not successfully complete the training described in Item 11, we will require you to undergo the additional training described in Item 11 at the hourly rate. If you do not pass the second attempt at training, we may terminate the franchise agreement.

(6) If you request additional on-site assistance after opening, we will provide it at the daily rate, plus reasonable expenses for travel, room and board.

Item 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount (See note 10)	Method of Payment	When Due	To Whom Payment Is To Be Made
Site Analysis Fee (non-refundable)	$5,000 (See note 1)	Lump Sum	On signing of the Site Analysis Agreement (See note 1)	Us
Initial Franchise Fee	$35,000 (See note 2)	Lump sum	On signing of the Franchise Agreement (See note 2)	Us
Training Expenses	$8,700-$25,320	Lump sum (See note 4)	As incurred (See note 4)	Us, providers of travel and lodging services and your employees (See note 4)
Real Property (purchased or leased)	Lease payment $4,500-$15,000 (See note 5)	Lump sum	As negotiated with landlord	Landlord
Equipment fixtures, other fixed assets, construction, remodeling, leasehold improvements, and decorating costs, whether purchased or leased	$467,000 - $1,095,000 (See note 6)	Lump sum (See note 6)	As delivered or negotiated or required by supplier/builder (See note 6)	Us or approved supplier/builder (See note 6)
Inventory	$26,000-$28,000	As incurred (for opening)	As incurred	Us or approved suppliers (See note 7)
POS & Delivery Integration Software	$375-$523	Monthly	From launch or opening	Approved suppliers (See Item 8)

Type of Expenditure	Amount (See note 10)	Method of Payment	When Due	To Whom Payment Is To Be Made
Digital Menu Board Management System	$15-$60	Monthly	From launch or opening	Approved suppliers (See Item 8)
Security deposits, utility deposits, business licenses and other prepaid expenses	$5,500-$10,000	As incurred (See note 8)	As incurred; when premiums are due	See note 9
Working capital	$5,000-$20,000	As incurred	As incurred	Employees, till and cash reserves
Advertising and promotion	$10,000-$15,000	As incurred	See note 10	Advertising media vendors
Additional funds – (Initial 90 day period)	$15,000-$50,000	As incurred	See note 11	See note 9
Total Initial Investment (not including Area Development)	$582,090 to $1,298,903			

ADA-Specific Fees

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Optional Area Development Fee	$10,000 per additional location (See note 3)	Lump sum	On signing an Area Development Agreement	Us
Balance of Franchise Fee for Outlets under an ADA	$25,000 per additional location (See note 3)	Lump sum	Due upon signing a franchise agreement	Us

Except where otherwise noted, all fees paid to us are nonrefundable.

Neither we nor our agents offer any financing arrangements, directly or indirectly, to you.

Notes:

(1) Site Analysis Fee. See the state-specific riders for possible differences in your state. The Site Analysis Fee is nonrefundable. If we approve a site and you sign the Franchise Agreement with us, the Site Analysis Fee will be applied to the Initial Franchise Fee.

(2) Initial Franchise Fee. See the state-specific riders for possible differences in your state. If your Franchise Agreement is terminated for your failure to open an outlet within eighteen months of signing, as described in Item 5 of this Disclosure Document, the Initial Franchise Fee is refundable with the exception of the $15,000 nonrefundable deposit.

(3) Optional Area Development Agreement and Fees. See the state-specific riders for possible differences in your state. Under our optional Area Development Agreement, Area Developers agree to open a minimum number of units in a designated territory, and to pay us in advance on signing the Area Development Agreement, to reserve that territory, $10,000 for each such unit. The remaining balance of the Franchise Fee for each such unit ($25,000) becomes due on signing the Franchise Agreement for each such outlet. Except for the $10,000 pre-payment of the Franchise Fee for THB outlets to be developed, and certain working capital funds you might need to perform under the Development Agreement, no additional initial investment is required to become an area developer beyond that required to become a single-unit franchisee.

(4) Training Expenses. One hundred twenty hours of initial training for new franchisees is included in the Initial Franchise Fee (Transferees will pay the separate training fee of $5,000 unless it is waived by THB due to the Transferee's experience). Any additional training, whether required by us or requested by you, will result in a charge to you of $60 per hour. You must pay your own costs for travel to and from the training location, local transport and lodgings. The training expense estimates in the table above include approximately $1,500 to $3,500 for these travel and living expenses.

The training expense estimates in the table above also include $8,700 to $25,320 for employee training costs. This estimate is based on training for 15 employees trained for 10 days, 8 hours per day, at applicable minimum wage ranging from $7.25 to $21.10 per hour. You may have to pay employees at a higher rate, depending on your local labor market and possible state or local minimum wage laws, which are subject to change over time. Payment of wages will depend on the payroll period you establish.

(5) Real Property Purchased or Leased. THB outlets are generally located upon leased or purchased property. The rental rate and other terms of your leases or purchases will vary, depending upon negotiations with your landlord or the property owners, and area land costs. This estimate does not include pre-payment of last month's rent or security deposit. We do not estimate your costs for purchasing the site for your THB outlet as opposed to leasing.

(6) Furniture, Fixtures, Equipment, Signage, Construction, and Remodeling.

The low-end estimate of $460,000 for this category is for the conversion or improvement of an existing structure into a THB outlet. It includes approximately $293,000 for

remodeling and upgrades to the existing structure, site improvements, signage, furniture, and fixtures, all to be provided by either our approved suppliers or an approved local general contractor. Most sizes will range from 1,000 square feet to 2,500 square feet. Remodeling or improving larger structures will usually cost more.

For new construction the estimated range is from $710,000 to $1,095,000. This includes at least $605,700 to $988,700 for a new building, site improvements, awnings, signage, furniture, fixtures, equipment, etc., provided by our approved suppliers or an approved local general contractor. The new drive-through structure can be either site-built or pre-fabricated modular. Its width ranges from 14' to 16' feet and its length ranges from 40' to 50'. Costs will include building or building materials, site preparation, cut and fill, paving, landscaping, utilities, area lighting, trash enclosures, building permits and related costs, and engineering. These costs will vary depending upon your choice of building and several site-specific factors, including local costs for building materials and labor. If you choose a pre-fabricated modular building, you will also pay shipping costs that vary depending on your location.

Regardless of the building type, the estimate includes at least $114,000 for equipment and small wares, of which $90,000 is for equipment to be purchased from or through us.

This equipment estimate includes from $5,100 to $5,900 for point-of-sale (POS) hardware (screen/processor, cash drawers, printers, kitchen display screens, handhelds and QR code scanners) for the POS stations at the THB outlet, available from approved suppliers (see Item 8).

The low-end estimate in this category includes approximately $15,500, and the high-end estimate includes approximately $72,000, for signs. The amount required depends on the number, type and size of signs needed. The cost of menu boards will range from $11,720 to $20,404. The least expensive menu board option requires one (1) digital screen, and the most expensive option is for four (4) digital screens.

Most of the durable items in this category (including the structure, certain equipment and the signage) can be leased from third parties or financed, but THB does not itself provide any financing (see Item 10).

(7) Inventory. For more information on inventory see Item 8. Initial inventory costs between $26,000 and $28,000, depending on the size of your outlet. These costs are not refundable.

(8) POS & Digital Menu Board Management System. The monthly software fee is payable to our approved suppliers and ranges from $355 to $463 depending on configuration. Applicable credit card fees will apply, and Franchisees may pay an additional fee for support, to the approved suppliers (see Item 8). The required Content Management System is provided by Creative Realities, Inc., with a cost of $15 per screen per month (see Item 8).

(9) Security deposits, utility deposits, business licenses and other prepaid expenses.

These estimates include approximately $3,000-$5,000 for miscellaneous expenses, including utilities, security deposits, and license fees. Deposits for utility services are typically required when the service is applied for and may not be refundable. You must confirm all of the specific deposits required. The licensing and permit requirements for espresso drive-through establishments vary by location. Licenses and permits may be required at the municipal, county, and state level. Types of licenses and permits include restaurant, business, occupational and food products. Some states have laws regarding who may secure certain types of licenses and you may need legal advice if you think you might be ineligible. You may also have to obtain health licenses and comply with health laws and regulations that apply to restaurant and food product sales establishments. You should make inquiries about the laws, regulations and permit or license requirements in the area of your outlet.

These estimates also include approximately $2,500 - $5,000 for insurance premiums during the first year of operations. See Item 8 for more information about the insurance requirements.

(10) Advertising and Promotion. The expenditure for local advertising is required in connection with the opening of your THB outlet, and recommended after the first three months of operations. See Section 8.6.1 of the Franchise Agreement.

(11) Additional funds are provided only as estimates and apply only to your initial three-months of operations. The estimate includes cash on hand at opening for use in operations. We believe that these figures provide an accurate minimum estimate of the additional funds necessary for the initial three-month phase of operations.

The figures in the table above are merely estimates and we cannot guarantee that your costs will be within the limits specified or that you will not have additional expenses starting the business. To compile these estimates, we relied on our experience with the existing outlets described in Item 1 of this Disclosure Document.

Estimates do not include applicable sales taxes, if any, which may be applicable and which may be imposed upon you. The above estimated expenditures are for your initial investment over the first three months of operation and do not reflect ongoing expenditures.

Item 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Because we do not charge a royalty, our primary source of revenue apart from franchise fees is the THB supply chain. In order to ensure both THB's quality standards and the integrity of the supply chain, you must purchase certain goods or services from us or our approved suppliers, comply with our quality standards and make on-time payments to all suppliers. Our suppliers are listed in Table 1 below, showing in each case the goods or services provided, whether use of the supplier is currently required, and whether THB currently derives revenue from the purchases.

We are the only approved supplier of the required beverage production and food preparation equipment. Certain additional equipment including refrigerators, freezers, and ice makers meeting our specifications can be purchased from any source. Our majority owners also own our supplier of energy drinks, Bright, LLC, and our supplier of coffee, Centerline. We do not own any interest in any of the other suppliers.

Centerline Coffee Roasting, LLC is the main supplier of roasted coffee beans and other coffee products to our franchisees and affiliate-owned outlets. PCH is currently a secondary supplier of roasted coffee beans and other coffee products.

If goods or services are available from approved suppliers in the THB supply chain, then you must purchase those goods or services from the approved suppliers. However, if certain items or perishable food supplies are not available in your area from THB's primary approved suppliers, you may purchase such items from an approved local supplier in your area. We will tell you who this supplier is based on the location of your outlet. If we have not approved a specific supplier in your area, you may propose a local supplier by providing us with a written request, and we will evaluate whether or not to approve such local supplier. Approval is based on factors such as the ability of the supplier to provide supplies in accordance with current specifications and standards within a given time frame, under a specific warranty and with a minimum level of delivery service. We retain the sole discretion in determining whether or not a local supplier is approved. We will notify you of our decision within thirty days of receiving your request. If you do not hear from us in that time, you can assume that the request has been denied. We will not charge you to evaluate your request for an alternate supplier, equipment, or products.

Table 1: List of Vendors and Suppliers

Vendor	Goods/Services Provided	Required	Revenue to THB
Product Vendors			
Centerline	Coffee, espresso beans, coffee drink mixes	YES	YES
PCH	Coffee, espresso beans, coffee drink mixes	YES	YES
Sysco Corp.	Branded and unbranded food and non-food items, flavored syrups, canned energy drinks, smoothie mixes, non-coffee drinks and drink mixes, teas, toppings, sweeteners, cups, lids, drink supplies, straws, filters, plastic bags, carrying boxes/trays, paper products, napkins, toilet paper, paper towels, bags, cup sleeves, cleaning supplies, dog biscuits, etc.	YES	YES
Odeko	Same as Sysco	YES	YES
Seattle's Favorite	Pastries	YES	YES
Technology & Service Providers			
Toast	Point of sale system (see note 1)	YES	NO
Incentivio	Mobile application and loyalty rewards program	YES	NO
Valutec	Gift cards	YES	NO
Chowly	Integration services for POS and digital ordering	YES	NO
SOCI	Marketing software	YES	NO
Creative Realities	Content management for digital menu boards	YES	NO
ADP	Payroll services	NO	YES
DoorDash	Food delivery services	NO	NO
Uber Eats	Food delivery services	NO	NO
GrubHub	Food delivery services	NO	NO

Cintas	Cleaning supplies	NO	NO
7 Shifts	Labor Scheduling Solution	NO	NO
HigherMe	Hiring Software	NO	NO

Notes to Table One. The third-party service providers listed in Table One will give us access to your account information. See Section 11.3 of the Franchise Agreement. You must also use the managed network services provided with the Toast bundle, and meet the data security requirements for use of the bundle. You must use the specified software and services at the points of sale. For the expected costs associated with the POS and loyalty application systems, see Item 7 and note 6.

You and our affiliate-owned locations will participate in the THB Brand Fund, through the contribution of 1% of Adjusted Gross Sales Revenues. Adjusted Gross Sales Revenues means gross sales revenues less taxes, promotional discounts, and delivery fees (as defined at Section 2.3 of the Franchise Agreement). THB reserves the right to a future increase of the Brand Fund contribution (or Brand Fee) up to 2%. Our affiliate-owned locations and all THB franchisees will contribute to the Brand Fund cooperative at the same rate. See Item 11 of this Disclosure Document. Apart from the THB Brand Fund, there are currently no purchasing or distribution cooperatives required for our franchisees.

It is estimated that required purchases will make up between 10.5% and 81.3% of the total cost of establishing your franchise. After opening your franchise, it is estimated that the required purchases will make up between 36% and 49% of the total cost of operating your franchise.

Although you are not required to purchase or lease real estate from us, you must obtain our approval for the location of your THB outlet or outlets. See Item 11 of this Disclosure Document. If you lease the location, you and the landlord must use the THB Lease Addendum. The THB Lease Addendum is attached to the Franchise Agreement. It facilitates transfers of the lease by you, gives us notice of defaults, and allows us to act to prevent unplanned closures of the THB Outlet. If you own or have the right to sublease the premises, the covenant of non-competition restricts you from leasing or subleasing it for use by a direct competitor of THB, during the term of your Franchise Agreement and for two years after termination of your Franchise Agreement. If you have an Area Development Agreement, its covenant of non-competition restricts you from leasing or subleasing the premises of any franchised unit under the ADA for use by a direct competitor of THB, during the term of the applicable Franchise Agreement and for two years after its termination.

You must construct and equip your THB Outlet in accordance with our then-current approved design, specifications, and standards. You also must use equipment, signage, fixtures, furnishings, products, ingredients, supplies, and advertising and sales promotion materials that meet our specifications and/or standards. Your participation in all system-wide sales promotions and charitable campaigns is also required. We will notify you promptly if we change our specifications and standards, or if we grant or revoke approval of a supplier. You must pay all vendors and suppliers within terms; any overdue payment obligation to a supplier or vendor will violate the Franchise Agreement.

You must maintain insurance coverage. However, you may use any insurance company that meets the specified criteria. We do not receive any revenue from the insurance purchased by you. You

must purchase and maintain, at your sole expense, comprehensive occurrence-based general commercial liability insurance, in an aggregate amount of not less than $1,000,000 per incident, $2,000,000 aggregate. The insurance coverage must insure you and us from liability for any and all damage or injury. In addition to the comprehensive general commercial liability insurance, you also must purchase and maintain the following additional insurance coverage:

- Premises and Property, in amounts sufficient to cover loss or damage to the drive-through building, equipment and inventory, including loss or damage from crime, and spoilage from power failure with a deductible not greater than $1,500;

- Employment Practices, in amounts sufficient to cover potential claims by or on behalf of your employees;

- Business Income, in amounts sufficient to cover expenses from unexpected closures of your store;

- Owned and non-owned Auto Liability Insurance with at least $1,000,000 combined single limit; and

- Workers' Compensation, for job-related injuries, in amounts as required by state law.

The required products that we sell, or require you to buy from approved suppliers, provide income to us, either in the form of direct revenue or by means of a rebate or allowance paid to us by the approved supplier. For the fiscal year ending December 31, 2024, we received revenue of $10,307,106 from the sale of goods or services that you are required to purchase from us or our approved suppliers, representing about 84.8% of our total sales of $12,144,775. We receive revenue from (i) rebates from approved suppliers, including Centerline and Bright, LLC (both of which our directors own); (ii) margin on direct sales to franchisees, of between 3% and 40% of the cost of the goods; and (iii) sales to our affiliates listed in Item 1. Except as stated, our affiliates do not derive revenue from your purchase of required goods or services.

We may negotiate purchase arrangements with suppliers (including price terms) for the benefit of franchisees. Also, in determining whether to revoke approval of a vendor, we will look to factors including, but not limited to, the price of the product(s) and the vendor's ability to distribute product(s) that meet our specifications and standards. However, with respect to all products and services for which our approval is required, we may approve, withhold approval, or revoke approval of a supplier in our sole discretion.

You are required to participate in any system-wide discount programs or promotions, and to accept physical or digital coupons and gift cards. Nothing in this requirement affects your ability to set the pre-discount prices for goods sold at your THB outlet. We do not provide any payments, rebates or other material benefits to franchisees based on their purchase or use of products or services that are approved but not required by us.

Item 9
FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Site Analysis Agreement, Section 2.1 of Franchise Agreement, and Sections 5.1-5.3 of Area Development Agreement	Item 5 and Item 11
b. Pre-opening purchases/leases	Sections 7.4, 7.5, 7.6 of Franchise Agreement	Item 7 and Item 8
c. Site development and other pre-opening requirements	Sections 7.1, 7.2 and 7.3 of Franchise Agreement and Sections 5.4-5.5 of Area Development Agreement	Item 7 and Item 8
d. Initial and ongoing training	Sections 9.1, 10.1, and 10.2 of Franchise Agreement	Item 7 and Item 11
e. Opening	Sections 8.6 of Franchise Agreement	Item 7 and Item 11
f. Fees	Site Analysis Agreement, Section 2 of Franchise Agreement, and Section 6 of Area Development Agreement	Item 5, Item 6 and Item 7
g. Compliance with standards and policies/Operating Manual	Section 8 of Franchise Agreement	Item 8 and Item 15
h. Trademarks and proprietary information	Section 4 of Franchise Agreement	Item 13 and Item 14

Obligation	Section in Agreement	Disclosure Document Item
i. Restrictions on product and services offered	Section 8.1 of Franchise Agreement	Item 8 and Item 16
j. Warranty and customer service requirements	Section 4.6 and 8.9 of Franchise Agreement	Item 8 and Item 15
k. Territorial development and sales quotas	Sections 2 and 3 of Area Development Agreement	None
l. Ongoing product/service purchases	Section 8 of Franchise Agreement	Item 8 and Item 15
m. Maintenance appearance and remodeling requirements	Section 8.9 of Franchise Agreement	Item 8 and Item 16
n. Insurance	Section 13.2 of Franchise Agreement	Item 7
o. Advertising	Sections 8.6 and 10.6 of Franchise Agreement	Item 7 and Item 11
p. Indemnification	Section 13.1 of Franchise Agreement and Section 11.1 of Area Development Agreement	Item 7
q. Owner's participation/ management/staffing	Section 9 of Franchise Agreement	Item 7
r. Records and reports	Sections 11.3 and 11.4 of Franchise Agreement	Item 9
s. Inspections and audits	Sections 11.1, 11.2, and 11.5 of Franchise Agreement	Item 9
t. Transfer	Section 12 of Franchise Agreement and Section 9 of Area Development Agreement	Item 6 and Item 17

Obligation	Section in Agreement	Disclosure Document Item
u. Renewal	Section 3.2 of Franchise Agreement, and Sections 3.3 and 4.2 of Area Development Agreement	Item 6 and Item 17
v. Post-termination obligations	Section 15.2, 15.3, and 15.4 of Franchise Agreement and Section 8.3 of Area Development Agreement	Item 14 and Item 17
w. Noncompetition covenants	Section 6.3 of Franchise Agreement and Section 8.3 of Area Development Agreement	Item 12 and Item 17
x. Dispute resolution	Section 16.3.1 of Franchise Agreement and Section 11.4 of Area Development Agreement	Item 17

Virtually all of the purchases and leases you will make for your outlet are subject to restrictions, as described in this Item and in the Franchise Agreement.

Item 10
FINANCING

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

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

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

Before you open your business, we will:

(1) Provide site selection assistance. After you sign the Site Analysis Agreement (Exhibit C) and pay the Site Analysis Fee of $5,000, you select one or more sites (up to ten sites, if each proposed site is within fifty miles of each of the other proposed sites) and, for each proposed site, complete the site analysis form provided by us. We will review the completed site analysis form(s) and other relevant information and respond within thirty days. Factors

considered when evaluating a site include population density, zoning, character of neighborhood, traffic patterns and accessibility.

You may not use any site for a THB outlet unless the site is approved by us, applying our then-current standards. If you and we are unable to agree on any of your proposed sites within nine months of your payment of the Site Analysis Fee, the Site Analysis Agreement will terminate, and we will retain the Site Analysis Fee. Generally, we do not own the premises of your Outlet or lease them to you. See the Site Analysis Agreement and Section 2.1 of the Franchise Agreement.

If you become an Area Developer, we will waive the Site Analysis Fee, and you may sign the Franchise Agreement without a site having first been approved. However, as an Area Developer, you may not use any site for a THB outlet unless the site is first approved by us under our then-current standards. For the units opened after the first unit, you will select one or more sites (up to ten sites within the Development Area) and, for each proposed site, complete the site analysis form provided by us. We will review the completed site analysis form(s) and other relevant information and respond within thirty days. See Sections 5.1-5.3 of the Area Development Agreement.

(2) Upon agreement between you and us on the site for your business, immediately designate your exclusive territory, which will consist of a one-mile radius from the location of your outlet. See Section 1.2 of the Franchise Agreement. If you become an Area Developer, your territory is defined by the Area Development Agreement until you have fulfilled your development obligation, and thereafter by the one-mile radius from the location of each THB outlet. See Section 2 of the Area Development Agreement.

(3) Provide specifications of the building. See Sections 7.1 - 7.3 and 10.3 of the Franchise Agreement.

(4) Provide equipment listing and related costs and/or approved vendors, including for the point-of-sale system. See Sections 7.4 and 10.3 of the Franchise Agreement. The estimated cost of computer equipment is $5,100-$5,900 and the estimated cost of software fees is $435-$475/month. See Item 7 and note 6 to Item 7. We do not have a contractual obligation to maintain, repair, update or upgrade your computer or other point-of-sale equipment. You will not be required to spend more than $7,000 in any three-year period to maintain, repair, update or upgrade your computer or other point-of-sale equipment. See Section 7.4 of the Franchise Agreement. We will have independent access to all user-accessible information on your POS System; the limit on our right to access this information is the scope of information made available by the POS software/service providers. See Section 7.4 of the Franchise Agreement. We will also provide to you our standard layout for configuring menu items in the POS system. The standard layout, called the "Enterprise Golden Image," is mandatory system-wide, to help ensure consistency across the brand.

(5) Loan you a copy of our operations manual, which contains mandatory specifications, standards and procedures (the "Operations Manual"). The Operations Manual is approximately 46 pages long (not including appended equipment manuals). This manual is confidential, remains our property and may not be copied. At our sole discretion, we may

periodically revise, amend, add to and/or delete from the Operations Manual. See Section 10.3 of the Franchise Agreement. The table of contents of the Operations Manual appears at Exhibit D to this Disclosure Document.

(6) Assist you in procuring necessary equipment, signs, fixtures, opening inventory and supplies by providing you with: (a) written specifications for these items; and (b) these items or names of approved suppliers for these items. All of this information is part of the Operations Manual. See section 10.3 of the Franchise Agreement. See Item 8 for more information regarding procuring equipment, signs, fixtures, opening inventory and supplies. We provide written specifications and (for specified equipment only) sell the equipment to you, but all delivery and installation services are performed by third parties.

(7) Assist you in establishing customer relationships with suppliers. See Section 8.3 of the Franchise Agreement.

(8) Provide training to two people designated by you, such as you and your store manager. Training is conducted before the opening of a new outlet. The training requirement will be waived by us only if we decide that your prior experience qualifies you for a waiver, otherwise, training is mandatory for you and your store manager. Training occurs over 120 hours during a period of about three weeks at one of our training facilities, located in Oregon. We will designate the training facility. You must pay for your transportation to, from and around Oregon, and your room and board during the training period. Training must be completed to our satisfaction. If either of the trainees is unable by the end of the 120-hour period to acquire the skills necessary to operate the outlet, we may require additional training. Additional training may also be requested by you. See Section 10.1 of the Franchise Agreement. If additional training is required, we will charge you $60 per hour for each person being trained. If we determine that either of the trainees is unable after additional training to acquire the skills necessary to operate the outlet then we may require that trainee to repeat the training. There are no additional training or refresher courses and fees, other than the possible remedial training that is required only on a case-by-case basis. If you become an Area Developer, we will provide training for designated store managers beyond the first outlet upon request.

The name and number of instructors who provide this training may change. We expect to draw on the substantial experience of our management, personnel of the designated suppliers or independent contractors in our region. The Director of Training has over a decade of experience in the drive thru espresso business.

The following table describes the training process for a typical week during the three-week training:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Drink Assembly, Product Preparation, Customer Service	2	13	Medford, OR or Portland, OR training facility
Food & Sanitation	1	4	Same
Equipment Usage	1	4	Same
Technology & General Operations	1	1	Same
Marketing	1	1	Same
Scheduling & Planning	2	2	Same
Inventory Procedures	2	2	Same
Cash Management and Reporting	1	2	Same
Subtotals	11	29	
TOTAL HOURS	40		

**Throughout the training process, trainees practice and pay attention to the three core areas: Drink Assembly, Product Preparation and General Operations.*

No training deposits or fees for training are required before opening a new location.

We are not obligated under the Franchise Agreement or otherwise to meet any other obligation or to provide any other supervision, assistance, training or service before the opening of your espresso drive-through. For example, but without limitation, we are not obligated to:

a. Negotiate the purchase or lease of the site for your THB outlet outlet.

b. Conform your THB outlet with local ordinances and building codes.

c. Procure any business, health, sanitation, building, driveway, utility or sign permits or licenses or any other permits, licenses or the like.

d. Construct, remodel, or decorate your THB outlet.

e. Hire or train your employees (except managerial training described in this Item 11 of this Disclosure Document).

f. Sell, lease, or sublease the premises of your espresso outlet to you.

g. Spend any amount on advertising in your territory or area.

The length of time between the signing of a Franchise Agreement and the opening of your franchise will vary depending upon your individual circumstances and local conditions, such as your ability to obtain a lease, financing or permits; zoning; local ordinances; weather conditions; or shortages

or delays in installing equipment or fixtures and signs. A typical length of time is twelve months, but the time period could be longer than fourteen months. If your outlet does not open within eighteen months of signing the Franchise Agreement, we may terminate the Franchise Agreement.

During the operation of your business, we will:

(1) Sell you products for resale by you through your THB outlet. See Section 8 of the Franchise Agreement.

(2) Provide assistance on or in advance of opening day. We will furnish to you, at our expense, one or more of our representatives to assist on or in advance of opening day in the training of employees and in establishing local procedures. See Section 10.4 of the Franchise Agreement. If you become an Area Developer, we provide assistance with the opening of THB outlets other than the first THB outlet only upon request. See Section 7.2 of the Area Development Agreement.

(3) Offer additional optional assistance in the opening of each unit. If you desire this additional assistance, the fee will be $600 per representative per day, plus travel and lodging expenses for our representative. See Section 10.5 of the Franchise Agreement.

(4) Obtain and maintain online search directory listings for the Outlet as a member of The Human Bean family.

(5) Furnish you operating assistance that we reasonably believe you require during the operation of your franchise. One of our representatives will make periodic inspections of your franchise. There is no definite schedule for these inspections. During these inspections, the representative will also render advice and assistance to you regarding the management and conduct of the franchise as specified in Section 11.1 of the Franchise Agreement.

(6) Prepare advertisements. We may create advertising content ourselves, or through an advertising agency, with or without the assistance of the Brand Fund. Apart from the Brand Fund, we are not obligated to spend any particular amount on advertising and we have sole discretion regarding the location, type and media used for our advertisements. We will make advertising, marketing and promotional materials available to you for your local use. You are required to participate in all brand-wide promotional campaigns, unless designated as optional by us, and to use the brand-wide promotional campaign materials provided, without any changes to those materials. You may also develop advertising materials for your own use, at your own expense. You are required to spend at least ten thousand dollars ($10,000) on local advertising in your area or territory during the first three (3) months before and the first three (3) months after the opening of the THB Outlet. Afterwards we recommend at least 2% and up to 7% of gross sales revenue on local advertising. You are responsible for ensuring that your proposed advertising materials are truthful and not misleading. Advertising materials developed by you may not be used unless approved by us in advance. You are required to submit proposed advertising materials to us at least thirty days before you intend to use them. We will evaluate the proposed advertising materials and respond within fifteen days. We will not unreasonably withhold approval for use of proposed

advertising materials. All online promotions by you, including social media posts relating to the business, must be through the THB website or an official THB-branded social media account. THB does not allow franchisees to promote the franchised location using unreviewed postings on websites or social media accounts other than the official ones.

(7) Administer the Brand Fund. The following disclosures apply to the Brand Fee and Brand Fund. See Sections 8.6.4 through 8.6.8 and 10.6 of the Franchise Agreement.

You and our affiliate-owned locations will participate in the THB Brand Fund, through the contribution of 1% of Adjusted Gross Sales Revenues. Adjusted Gross Sales Revenues means gross sales revenues less taxes, promotional discounts, and delivery fees (as defined at Section 2.3 of the Franchise Agreement). THB reserves the right to a future increase of the Brand Fund contribution (or Brand Fee) up to 2%. Our affiliate-owned locations and all THB franchisees will contribute to the Brand Fund cooperative at the same rate. See Item 11 of this Disclosure Document. Apart from the THB Brand Fund, there are currently no purchasing or distribution cooperatives required for our franchisees.

THB will collect the Brand Fee monthly via Electronic Funds Transfer (EFT), maintain the Brand Fund in a dedicated bank account, and keep it separate from THB's operating funds and other accounts. An unaudited financial statement of the Brand Fund, at the expense of the Brand Fund, will be provided on written request, not more than 120 days after our fiscal year end, along with an accounting for the Brand Fund that shows how proceeds have been raised and spent in the previous year.

The Brand Fund will be used to pay an outside advertising agency to produce content for use by franchisees and affiliate-owned units, in advertising and marketing the branded products and services. The Brand Fund will not be used for placement of such content in particular local markets. We will not spend Brand Fund money except on advertising, public relations, market research, promotion, or marketing of the THB branded products/services; and on the administration of the Brand Fund, including its costs for collection of unpaid Brand Fees, provided that (i) not more than twenty-five percent (25%) of the Brand Fund will be used for administrative costs in any fiscal year; and (ii) neither THB nor the THB affiliates will receive any payments for providing goods or services to the Brand Fund, apart from reimbursement of expenses. The Brand Fund may be used for the design or maintenance of THB websites or social media marketing campaigns, so long as the website, campaign or promotion promotes the branded products/services, and even if it also solicits potential franchisees. The Brand Fund will not be used for any advertising primarily aimed at soliciting prospective franchisees for THB.

THB does not hold the Brand Fund in trust for its franchisees, and will have no fiduciary duty to you relating to the Brand Fund. THB will have final authority over expenditures from the Brand Fund, but (i) THB will deal fairly and in good faith in its decisions about expenditures from the Brand Fund, and (ii) THB will consider the views of the Franchisee Advisory Committee regarding expenditures from the Brand Fund. Fair dealing does not mean all franchisees must benefit equally from the Brand Fund. In light of the views of the Franchisee Advisory Committee, we will decide using our reasonable business judgment how to spend contributions to the Brand Fund. The five members of the Franchisee Advisory

Committee are elected by the franchisees to two-year terms. To be eligible, franchisee must be in good standing, meaning not currently in receipt of a default notice under the Franchise Agreement or in arrears with any vendor. The franchisees can vote to alter the criteria for membership and composition of the Franchisee Advisory Committee. THB has no right to appoint or alter the membership of the Committee, or to dissolve it. There is no requirement for franchisees to participate in any local or regional advertising cooperative.

Any unused amounts in the Brand Fund in any calendar year will be applied to the following year. THB may contribute or loan additional funds to the Brand Fund, on reasonable terms. In the most recent fiscal year, 2024, the Brand Fund started with $108,626 from the prior year surplus, took in $1,29,471 and spent $1,310,177, ending the year 2024 with a surplus of $96,823. The surplus of $96,823 carried forward to the 2025 fiscal year. The Brand Fund was spent as follows: 10% on communication; 30% on digital advertising and online marketing, reviews, listings, and social content management; 1% on innovation; 41% on promotions, campaigns, printed ad materials, and strategy; and 18% on administrative fees.

Although not obligated to do so under this Disclosure Document, the Franchise Agreement or any other agreement, at our discretion we may, during the operation of your business: (a) conduct research and development in the area of production and methods of operation, (b) make the results of this research available to you, (c) provide recruitment assistance, (d) provide suggested retail prices, or (e) establish and use administrative, bookkeeping, accounting and inventory control procedures. We may keep you informed of our plans, policies, research developments and similar activities by means of bulletins, brochures or visits by our representatives.

Item 12
TERRITORY

During the term of the Franchise Agreement, you will be granted an exclusive territory within a 1 mile radius of the location of your outlet. The location must be a site approved by us, as described in Item 11 above. You do not acquire any option or right of first refusal to additional locations in your territory or contiguous territories. You may not relocate your outlet within your territory without our prior written consent, but we may consent to relocation based on our approval of the information provided on the site analysis form, which you must submit to us. There are no restrictions on your soliciting or accepting orders from outside your territory. There are no restrictions on your advertising outside of your territory, except that you may only use advertising materials that have been approved by us. We or another franchisee may solicit, advertise, or accept orders from within your territory without any obligation to compensate you. You may sell the authorized products only at the THB outlet. You may not make sales outside of your territory using other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing.

Within your territory, we will not operate a company-owned outlet or grant a franchise for the operation of a competing business during the term of your Franchise Agreement. However, we may sell THB-branded products or merchandise by mail order, Internet web site, or other networked means, including sales to persons physically located within your territory. Continuation of your territorial exclusivity does not depend on the achievement of a particular volume of sales,

market penetration, or any other contingency. Your territory may not be altered except by mutual written agreement between you and us.

If you become an Area Developer, your exclusive territory will be defined as the development area specified by the Area Development Agreement, until the Area Development Agreement expires or terminates. You will have the right and obligation to open additional THB outlets within your development area during the term of the Area Development Agreement. Area Developers may not use any site for a THB outlet unless the site is first approved by us, and our then-current standards for site approval will apply. You may not relocate your THB outlets within your territory without our prior written consent. There are no restrictions on your soliciting or accepting orders from outside your territory. There are no restrictions on your advertising outside of your territory, except that you may only use advertising materials that have been approved by us. We or another franchisee may solicit, advertise, or accept orders from within your territory without any obligation to compensate you. There is no set minimum size for the exclusive territory of an Area Developer.

If you become an Area Developer, then within your territory, we will not operate a company-owned outlet or grant a franchise for the operation of a competing business, unless the company-owned outlet or franchise was already located within your territory when you signed the Franchise Agreement. However, we may sell THB-branded merchandise by mail order, Internet web site, or other networked means, including sales to persons physically located within your territory. If you are an area developer, continuation of your territorial exclusivity will depend on your fulfillment of the development obligation, except that upon expiration or termination of the Area Development Agreement, you will have territorial exclusivity for each THB outlet within a one-mile radius of its location during the term of the Franchise Agreement for that THB outlet. Your territory may not be altered except by mutual written agreement between you and us.

The Franchise Agreement and Area Development Agreement both contain covenants of noncompetition. See Section 6.3 of the Franchise Agreement and Section 8.3 of the Area Development Agreement. The covenant of noncompetition restricts your use of our proprietary and confidential information during and after the term of the Franchise Agreement. The covenant of noncompetition restricts you from competing with us or our franchisees during the term of your Franchise Agreement and Area Development Agreement (if applicable), except by operating your outlet(s). The covenant of noncompetition restricts you from competing with us or our franchisees for two years after termination of your Franchise Agreement or Area Development Agreement by operating an outlet similar to a THB outlet within ten miles of any THB outlet. The covenant of noncompetition restricts you from competing with us or our franchisees by diverting business to any of our competitors during the term of your Franchise Agreement and Area Development Agreement (if applicable) and for two years after termination of your Franchise Agreement and Area Development Agreement (if applicable). If you own or have the right to sublease the premises, the covenant of non-competition restricts you from leasing or subleasing it for use by a direct competitor of THB, during the term of your Franchise Agreement and for two years after termination of your Franchise Agreement. If you have an Area Development Agreement, its covenant of non-competition restricts you from leasing or subleasing the premises of any franchised unit under the ADA for use by a direct competitor of THB, during the term of the applicable Franchise Agreement and for two years after its termination. Following the expiration or termination of an Area Development Agreement, your obligations of confidentiality and noncompetition under the individual franchise agreements will remain in effect. Some provisions

of the covenant of noncompetition may be unenforceable in some states. See the state-specific rider to this Disclosure Document for your state. We will try to resolve, if required under the Franchise Agreement and the Area Development Agreement, any conflicts between our franchisees or developers and us regarding territory, customers or support.

We and our affiliates do not operate or franchise, and have no present plans to operate or franchise, businesses that compete with the THB Outlets under a different trademark.

Item 13
TRADEMARKS

Under the Franchise Agreement, we will grant you the right to use the following trade and service marks (collectively, the "THB Marks"), which are registered with the United States Patent and Trademark Office (the "USPTO"):

Trademark or Service Mark	USPTO Registration Number	Goods/Services Summary	Status of Registration
THE HUMAN BEAN	Reg. No. 2,493,213	Retail services featuring coffee and coffee-related products; restaurant services	Registered on the Principal Register 9/25/2001 and assigned to us on 11/6/2002. This mark was renewed by filing the required affidavits in September, 2007, October, 2010 and July, 2021.
THE HUMAN BEAN	Reg. No. 8,092,003	Tumblers, mugs, and cups; coffee, coffee beans, and coffee pods; restaurant services	Registered on the Principal Register 1/6/2026. This Mark is not yet eligible for renewal.
THE HUMAN BEAN ESPRESSO COFFEE ETC.	Reg. No. 2,760,822	Retail store services in the field of coffee	Registered on the Principal Register 9/9/2003. This mark was renewed by filing the required affidavits in September, 2008, January, 2013, and September, 2023.

Trademark or Service Mark	USPTO Registration Number	Goods/Services Summary	Status of Registration
H2B	Reg. No. 3,264,873	Bottled water	Registered on the Principal Register 7/17/2007. This mark was renewed by filing the required affidavits in January, 2013 and July, 2018.
	Reg. No. 5,545,858	Drive-through retail store services featuring coffee and related goods	Registered on the Principal Register 08/21/2018. This mark was renewed by filing the required affidavit in January, 2024.
	Reg. No. 8,092,001	Tumblers, mugs, and cups; coffee; restaurant services	Registered on the Principal Register 1/6/2026. This Mark is not yet eligible for renewal.
	Reg. No. 5,545,866	Drive-through retail store services featuring coffee and related goods	Registered on the Principal Register 08/21/2018. This mark was renewed by filing the required affidavit in January, 2024.
	Reg. No. 8,092,002	Tumblers, mugs, and cups; coffee, coffee beans, and coffee pods; restaurant services	Registered on the Principal Register 1/6/2026. This Mark is not yet eligible for renewal.
	Reg. No. 7,528,285	Coffee-based beverages	Registered on the Principal Register 10/8/2024. This Mark is not yet eligible for renewal.
	Reg. No. 8,098,404	Tops as clothing	Registered on the Principal Register 1/13/2026. This Mark is not yet eligible for renewal.

Trademark or Service Mark	USPTO Registration Number	Goods/Services Summary	Status of Registration
Snowy	Reg. No. 7,528,292	Coffee-based beverages	Registered on the Principal Register 10/8/2024. This Mark is not yet eligible for renewal.
POOLSIDE	Reg. No. 7,530,715	Energy drinks	Registered on the Principal Register 10/8/2024. This Mark is not yet eligible for renewal.
Muddy	Reg. No. 8,098,405	Tops as clothing	Registered on the Principal Register 1/13/2026. This Mark is not yet eligible for renewal.
WITH A BEAN ON TOP	Reg. No. 7,968,937	Restaurant services	Registered on the Principal Register 9/30/2025. This Mark is not yet eligible for renewal.

We maintain in the Operations Manual a list of the trademarks, service marks and other designations that you are licensed to use. In our sole discretion, we may supplement your license by adding new marks to the list in the Operations Manual. If it becomes advisable at any time, in our sole discretion, to modify or discontinue use of any name or mark and/or use of one or more additional or substitute marks as trade or service marks, you must discontinue use of that mark when instructed by us. The Franchise Agreement does not give you a right to compensation for costs imposed by any such potential discontinuation of one or more of the THB Marks.

There are no agreements currently in effect that significantly limit our rights to use or license the use of the THB Marks, or other trademarks, service marks, trade names, logo types or other commercial symbols significant to the franchise.

There is presently no opposition or cancellation proceeding or any pending litigation involving the THB Marks nor any presently effective determinations by the USPTO, the Trademark Trial and Appeal Board or the Trademark Administrator of any state or any court regarding the THB Marks.

We are not obligated by the Franchise Agreement or otherwise to protect any rights that you have to use the trademarks and service marks. If you are made a party to an administrative or judicial proceeding involving one of the THB Marks, or if the proceeding is resolved unfavorably to you, we are not required to participate in your defense and/or indemnify you for expenses or damages. You must notify us if you become aware of anyone using or claiming

rights in a trademark that is confusingly similar to any of the THB Marks. We are not required to take affirmative action when notified of such claims, however we will, in our sole discretion, take all steps necessary to protect the trademarks and service marks and any future marks registered by us. We have the right to control all administrative proceedings and litigation involving the THB Marks.

You must follow our rules when you use the THB Marks. You may not use the words "Human Bean," or "The Human Bean" in your business entity name. You may use the online space provided for franchisee web content on our site, but otherwise you may not use an online domain name that includes the words "Human Bean" or "The Human Bean".

We do not guarantee that no other person has prior or competing rights in the THB Marks, but we are not aware of any superior prior rights or infringing uses that could materially affect your right to use the THB Marks in the United States.

Item 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents

We own no rights in or to any patents that are material to the franchise.

Copyrights

The Operations Manual is protected by copyright and by state laws respecting trade secrets. The Operations Manual has not been the subject of a federal copyright registration because of the need to keep its contents confidential. However, we have affixed a copyright notice to the Operations Manual. The copyright notice is an indication that the Operations Manual is protected by federal copyright law. This copyright notice is included in case copies of the Operations Manual are published for any reason. The Operations Manual must be maintained as confidential by you and may not be copied or published by you or your employees. You must immediately notify us if you learn that any person may be using the Operations Manual without our consent.

You must pay for any damages to us that result from any publication, copying, or disclosure of the Operations Manual by you or your employees. Your right to use the copyrighted Operations Manual is derived solely from the Franchise Agreement and is limited to your conduct of business in compliance with the Franchise Agreement and all applicable standards, specifications, operating procedures and rules that we require. Any unauthorized use of the copyrighted materials by you will constitute a breach of the Franchise Agreement and an infringement of our rights in the copyrighted materials.

Your use of the copyrighted materials and any good will established by your use of them will benefit us exclusively. The Franchise Agreement does not give you any good will or other interest in the copyrighted materials other than the right to operate your outlet in compliance with the Franchise Agreement. All relevant provisions of the Franchise Agreement are applicable to any additional copyrighted materials that we authorize for use by you in the future.

The Operations Manual remains our property and must be returned to us if your franchise terminates for any reason.

Proprietary Information

We have proprietary rights in a number of trade secrets including all information, knowledge and know how not generally known in the coffee service industry about our systems and products, a variety of proprietary recipes, services, standards, specifications, systems, procedures and techniques including the preparation of beverages, accounting and management techniques and systems ("Proprietary Information"). We have established security procedures to maintain the secrecy of all Proprietary Information. We have the perpetual right to own and use and authorize our other franchisees to use all ideas, concepts, formulas, recipes, methods and techniques (including drive-through building plans) relating to the development or operation of a drive-through espresso business conceived or developed by you or your employees during the term of the Franchise Agreement. You must fully and promptly disclose to us any ideas, concepts, formulas, recipes, methods and techniques developed by you or your employees during the term of the Franchise Agreement.

You must keep the Proprietary Information confidential and to use it only for the purposes and in the manner authorized in writing by us. You must promptly inform us if you learn of any unauthorized use of any of the Proprietary Information. We are not obligated to take any action, but will respond to this information as we deem appropriate in our sole discretion.

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

You are not required to participate personally in the direct operation of your outlet, but we recommend that you do so. However, your outlet must always be under your direct supervision or that of your designated manager. You must keep us informed at all times of the identity and qualifications of each employee acting as a manager of your outlet. Your manager is not required to have an equity interest in your franchise.

You may designate your manager as the person to receive the initial training provided by us. If you do not designate your manager as the person to receive the initial training provided by us, you may train your manager or you may request that we train your manager, at your expense. If you do not designate your manager as the person to receive the initial training provided by us and we train your manager, we will charge a fee for the training. See Sections 9.1, 10.1, and 10.2 of the Franchise Agreement. If we determine that your manager has been inadequately trained, we may require that your manager be trained by us at your expense.

Your manager and all other employees must agree to maintain the confidentiality of the copyrighted material, proprietary information and trade secrets described in Item 14 and comply with the noncompetition covenants identified in Item 17.

Item 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must sell all products and services as specified in the Operations Manual. The Operations Manual sets forth the various items for inclusion on the menu of your franchise. In addition to beverage and pastry items, your outlet will sell certain merchandise. We may in our sole discretion add or delete items from the approved list and there are no limits on our rights to do so. You may not add any item to your menu unless it is first approved by us in writing. You may not offer or sell any products or services not authorized by us. You are not limited in the customers to whom these goods or services may be sold.

Item 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

ITEM 17 TABLE:
THE FRANCHISE RELATIONSHIP
This table lists important provisions of the Franchise Agreement. You should read these provisions in the agreement attached to this Disclosure Document.

Provision	Section in Agreement	Summary
a) Length of the franchise term	Section 3.1 in Franchise Agreement, Section 4.1 - 4.3 in the Area Development Agreement	Initial term is 10 years. Area Development term is determined as part of the Development Obligation.
b) Renewal or extension of the term	Section 3.2 in the Franchise Agreement, Section 4.2 in the Area Development Agreement	Renewable for 10 years on payment of $3,000 renewal fee on terms of then-current franchise agreement. No right to extend or renew the Area Development Agreement.
c) Requirements for you to renew or extend	Sections 3.2.1 - 3.2.8 in the Franchise Agreement. Not applicable to the Area Development Agreement.	Full compliance with existing agreement, provide advance written notice, pay renewal fee, sign then-current franchise agreement, remodel the outlet and release us from past and present claims if permitted by law. When renewing you may be asked to sign a contract with materially different terms and conditions than your original contract.
d) Termination by you	None	You may terminate if we materially breach the Franchise Agreement or Area Development Agreement (if applicable). Subject to modification by state law.
e) Termination by us without cause	None	None. We do not have the right to terminate without cause. Termination of the Development Agreement gives the franchisor the right to terminate individual franchise agreements.

Provision	Section in Agreement	Summary
f) Termination by us with cause	Section 15.1 of the Franchise Agreement and Section 4.3 of the Area Development Agreement.	We may terminate if you are in default under the Franchise Agreement. We may terminate the Area Development Agreement for cause, as defined in the Area Development Agreement. Termination of the Development Agreement gives the franchisor the right to terminate individual franchise agreements.
g) "Cause" defined – curable defaults	Section 14.5 of the Franchise Agreement. No clause in the Area Development Agreement.	You have 2 days to correct violations of laws, regulations or standards of health and safety; 7 days to correct nonpayment of money owed or failure to maintain insurance; and 30 days to correct certain other breaches of the Franchise Agreement. These periods are subject to modification by state law. Curable defaults in the Area Development Agreement are those not identified in row (h) below. Termination of the Development Agreement gives the franchisor the right to terminate individual franchise agreements.

Provision	Section in Agreement	Summary
h) "Cause" defined – non-curable defaults	Section 14 of the Franchise Agreement and Section 4.3 of the Area Development Agreement.	Franchise Agreement: Assignments for the benefit of creditors, insolvency, bankruptcy, receivership or levy; passing off third-party products as genuine or THB-approved; failure to comply with obligations under the Franchise Agreement, serious health problem at franchisee's outlet, intentional fraud or act injurious or prejudicial to the goodwill of our proprietary marks or system; breach of covenant against competition; loss of your lease; repeated breaches or defaults; and for-cause termination of a related Area Development Agreement. (Subject to modification by state law.) Area Development Agreement: For-cause termination of any franchise agreement; failure to meet the development obligation; any breach of the covenants of noncompetition and non-solicitation; any unapproved transfer; any act of fraud; any insolvency event; any for-cause termination of a single-unit franchise agreement. (Subject to modification by state law.)
i) Your obligations on termination/ nonrenewal	Sections 15.2 - 15.8 of the Franchise Agreement.	Obligations under the Franchise Agreement include complete de-identification of the franchise location, payment of amounts due and return of our proprietary items (see also row r below). Under the Area Development Agreement, there is no further right to develop or exclude other development (see row (r) below).

Provision	Section in Agreement	Summary
j) Assignment of contract by us	Section 12.9 in the Franchise Agreement. Section 10.4 in the Area Development Agreement.	We may freely assign the contract.
k) "Transfer" by you – defined	Section 12.1 in the Franchise Agreement. Section 10.1 in the Area Development Agreement.	Includes assignment of contract; transfer of ownership; and shareholder or partnership changes.
l) Our approval of transfer by you	Section 12.2 in the Franchise Agreement. Sections 10.1 - 10.3 of the Area Development Agreement.	We have the right to approve or disapprove of proposed transfers of the Franchise Agreement or Area Development Agreement.
m) Conditions for our approval of transfer	Section 12.8 of the Franchise Agreement. Section 10.3 of the Area Development Agreement.	For Franchise Agreement: Buyer qualifies, obtains training if required, signs then current franchise agreement, and agrees to remodel; seller is in good standing, signs release, and transfer fee of $5,000 is paid. For Area Development Agreement: Buyer qualifies; seller is in good standing, signs release, and subordinates buyer's obligation to seller.
n) Our right of first refusal to acquire your business	Sections 12.7 and 15.7 of the Franchise Agreement. None in the Area Development Agreement.	We have the option to purchase the franchise business before most transfers on same terms or to purchase franchise assets upon termination at fair market value. No right of first refusal under the Area Development Agreement.

Provision	Section in Agreement	Summary
o) Our option to purchase your business	Sections 12.7 and 15.7 of the Franchise Agreement. None in the Area Development Agreement.	See line item (n) above.
p) Death or disability of you	Section 12.4 of the Franchise Agreement. Section 10 of the Area Development Agreement.	Relaxed requirements for transfers in the event of your death or disability.
q) Non-competition covenants during term of franchise	Section 6.3 of the Franchise Agreement. Sections 8.1 and 8.3 of the Area Development Agreement.	You are restricted to a specific site for your franchised business under the Franchise Agreement. You may not establish a competing business or solicit our employees, subject to modification by state law. You may not sublet or lease the THB Outlet to a direct competitor of THB.
r) Non-competition covenants after franchise is terminated or expires	Section 6.3 of the Franchise Agreement. Sections 8.1 and 8.3 of the Area Development Agreement.	For two years after termination of your Franchise Agreement or development rights, you may not establish competing business within ten miles of any THB-branded outlet, subject to modification by state law. You may not sublet or lease the THB Outlet to a direct competitor of THB, for two years after the franchise is terminated or expires.
s) Modification of the agreement	Sections 8.1 and 16.6 of the Franchise Agreement. Sections 11.8 in the Area Development Agreement.	No modification except by written agreement signed by all parties, but Operations Manual may be altered at our discretion.

Provision	Section in Agreement	Summary
t) Integration or merger clause	Section 16.6 in the Franchise Agreement. Section 11.7 in the Area Development Agreement.	Only the terms of the Franchise Agreement and Area Development Agreement are binding (subject to state law). Any representations or promises outside of this Disclosure Document, the Franchise Agreement and Area Development Agreement may not be enforceable.
u) Dispute resolution by arbitration or mediation	Section 16.3.1 in the Franchise Agreement. Section 11.4 in the Area Development Agreement.	Mandatory and binding arbitration except to prevent irreparable harm.
v) Choice of forum	Section 16.3.1 in the Franchise Agreement. Section 11.4 in the Area Development Agreement.	Litigation and arbitration must be in Medford, Oregon. This provision may be subject to applicable state law.
w) Choice of law	Section 16.3.1 in the Franchise Agreement. Section 11.4 in the Area Development Agreement.	Oregon law applies, but this provision may be subject to applicable state law.

Item 18
PUBLIC FIGURES

We do not use any public figure to promote our franchises. Any use of the name of a public figure by you in your promotional efforts or advertising is subject to our right to approve or disapprove of your advertising materials, except to the extent that a public figure may be involved in the actual control or management of your franchise.

Item 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual and 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.

Table 1 provides historical financial performance data based on the unaudited financial statements of eleven (11) affiliate-owned stores for the 12-month period ending December 31, 2024. One (1) affiliate-owned store was closed for renovations for more than forty (40) days in the 12-month period ending December 31, 2024, and this location is not included. EBIDTA means earnings before interest, taxes, depreciation, and amortization. Thus, EBITDA means net sales (gross sales less promotional discounts, as on Table 1), less expenses other than interest, taxes, depreciation, and amortization, and less cost of goods (as on Table 1). Table 2 provides historical financial performance data based on the sales of one hundred forty (140) franchised stores for the 12-month period ending December 31, 2024. Table 3 provides adjusted EBITDA for franchised units, based on our estimate of the cost differentials between affiliate-owned and franchised stores.

A total of one hundred fifty-two (152) outlets were in operation throughout the fiscal year ending December 31, 2024. Of those, eleven (11) were affiliate-owned outlets and one hundred forty-one (141) were franchised outlets. Item 19 does not include data from the 22 franchised locations that opened after the start of the 2024 fiscal year. One of the three franchised locations that was transferred in 2024 is not included in this Item 19 because the location was closed for about four months before opening under new ownership. One (1) franchised outlet that operated throughout the 12-month period ending December 31, 2024 differs in kind from all the others, by not having a drive thru, and is not included. Figures from the two (2) franchised locations that closed in 2024 are also not included in this Item 19. For details of these closures, see the end of Item 20.

We present EBITDA exclusive of owner income and owner expenses, such as owner travel expenses or owner use of a company car. We do not treat these as expenses a franchisee should expect to incur for purposes of this Item 19. Expenses for bookkeeping, payroll and accounting are likewise excluded. Our affiliate locations retain part-time district managers to manage their operations, but as a franchisee you should not expect to employ a district manager, so this expense is excluded. As our franchisee, you will choose how you treat owner expenses (if any) and how to account for and pay any tax on owner income from your outlet.

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

ITEM 19 TABLE 1 AFFILIATE FINANCIAL PERFORMANCE

	2024 Average	2024 Median	2024 Average as % of total sales
Sales 100.0%	896,744.18	883,106.05	100.0%
Loyalty & Promotional Discounts	-50,073.10	-49,792.45	5.6%
Net sales	846,671.08	833,313.60	94.4%
Cost of goods sold	286,426.37	283,720.08	31.9%
Gross Profit	560,244.71	549,593.52	62.5%
Advertising	6,826.62	6,242.46	0.8%
Bank service charges	15,277.88	13,954.36	1.7%
Brand fund expense	7,446.55	7,258.71	0.8%
Computer expense	4,585.12	4,440.10	0.5%
Contributions	4,807.16	5,306.90	0.5%
Dues and subscriptions	290.91	675.00	0.0%
Employee benefits	610.36	740.07	0.1%
Insurance	2,569.17	3,151.93	0.3%
Landscape maintenance	3,229.53	3,379.34	0.4%
Linens	2,960.75	2,876.39	0.3%
Licenses and permits	944.55	914.00	0.1%
Maintenance	22,173.60	21,872.14	2.5%
Office & operating supplies	11,148.20	10,124.69	1.2%
Payroll expenses	265,548.45	268,321.44	29.6%
Payroll taxes	26,483.68	26,598.76	3.0%
Postage and delivery	112.68	85.20	0.0%
Printing and reproduction	124.32	146.42	0.0%
Professional fees	3,495.99	3,090.91	0.4%
Rent	37,672.96	40,257.08	4.2%
Repairs	229.15	405.00	0.0%
Security	398.95	427.88	0.0%
Property taxes	6,694.55	5,584.18	0.7%
Telephone	3,017.57	2,407.75	0.3%
Travel and entertainment	476.50	535.14	0.1%
Utilities	20,127.60	21,035.76	2.2%
Total expenses	447,252.80	449,831.61	49.9%
Expenses + cost of goods	733,679.17	733,551.69	81.8%
EBITDA	112,991.91	99,761.91	12.6%

ITEM 19 TABLE 2 FRANCHISEE SALES PERFORMANCE

	2024 Average	2024 Median
Franchisee Sales	$847,647.54	$799,586.24
Systemwide Sales	$851,249.92	$796,794.47

ITEM 19 TABLE 3 FRANCHISEE ADJUSTED NET INCOME & COST DIFFERENTIAL

	2024 Franchisee Adjusted**	2024 Affiliate Average
EBITDA	$94,115.10	$112,991.91
Total Cost of Goods Differential as % of Average Sales	2.10%	0.0%
Coffee & Other Products/Supplies Differential	$16,617.94	$0
Shipping Differential	$2,258.87	$0
Total Cost of Goods Differential	$18,876.81	$0

**The figure in Table 3 for the franchisees' EBIDTA is our estimate based on the EBIDTA for the affiliate-owned stores, less the estimated average cost differential for franchisees. The second column of Table 3 shows the estimated cost differential for franchisees by category. The cost differential is based on three factors: coffee products, non-coffee products/supplies, and shipping costs. Franchisees currently pay approximately 30% more than affiliates for coffee products, and approximately 20% of the franchisee's total cost of goods will be for coffee products. This price differential may be increased in the future up to 35%. Most franchisees pay the same price for non-coffee products/supplies as the affiliate-owned stores, but in certain regions there is a differential, and we averaged the differential across all the franchised outlets. Franchisees receive free shipping for coffee products on orders over the minimum size, so we did not calculate any differential for shipping costs on coffee products. A few other supplies, namely branded coffee mugs, apparel and temporary point-of-sale marketing materials, are sold by THB to the affiliate-owned stores for less than the price paid by the franchisees. The effect of this fourth differential on the Adjusted EBITDA figure was insubstantial.

The historical performance data disclosed in this Item 19 does not include historical data on the average or median costs of franchised locations, only historical data on their average or median total sales. The payroll expense figures in Table 1 include an hourly rate for a manager. You or your manager should expect to work full-time in areas such as general administration, bill paying, staffing, scheduling, general errands, and supply pick-up and delivery. If you do not delegate these functions to a manager, your payroll expenses will be lowered by the amount of that manager's wages and bonus, payroll taxes on those wages, and any other employee-related expenses. Each of the 12 affiliate-owned outlets employed a manager other than the owners.

The eleven affiliate-owned THB drive-through locations used for Table 1 were in operation for the entire 12-month period ending December 31, 2024. Among the eleven affiliate-owned THB

drive-through locations, the most successful store had total sales of $1,212,214 and EBITDA (excluding owner income and owner expenses) of $223,888. The least successful store had total sales of $607,376 and EBITDA (excluding owner income and owner expenses) of $23,787. The criterion for most and least successful affiliate-owned store is positive or negative EBITDA, exclusive of owner income and expenses, not total sales. Total sales means gross sales, before promotional discounts and loyalty rewards (as shown on Table 1).

All of the eleven affiliate-owned stores had positive EBITDA (excluding owner income and owner expenses) during the 12-month period ending December 31, 2024. Five of the eleven stores, or 45%, had cost of goods higher than the average figure, and the other six, or 55%, had cost of goods lower than the average. Five of the eleven stores, or 45%, had total sales higher than the average, and the other six stores, or 55%, had total sales lower than the average. Seven of the stores, or 64%, had total expenses higher than the average, and the other four stores, or 36%, had total expenses lower than the average (excluding owner income and owner expenses). Four of the stores, or 36%, had EBITDA (excluding owner income and owner expenses) higher than the average, and the other seven, or 64%, had lower than average EBITDA (excluding owner income and owner expenses).

The one hundred forty franchised THB drive-through locations used for Table 2 were those in operation for the entire 12-month period ending December 31, 2024. Item 19 does not include data from the 22 franchised locations that opened after the start of the 2024 fiscal year. Figures from the 2 franchised locations that closed in 2024 are also not included in Item 19. For details of these closures, see the end of Item 20. A total of 152 outlets were in operation throughout the fiscal year ending December 31, 2024. Of those, 11 were affiliate-owned outlets and 141 were franchised outlets.

One hundred and forty-one (141) franchised THB drive-through locations were in operation for the entire 12-month period ending December 31, 2024, but one franchised location that has a non-standard layout, without a drive-through window, was not included in Table 2. Among the 140 franchised THB drive-through locations in Table 2, the most successful store had total sales of $1,850,977.38. The least successful store had total sales of $377,643.20. The criterion for most and least successful franchised stores is total sales. Fifty-four (54), or 39% of the 140 franchised stores had total sales higher than the average, and the other eighty-six (86) stores, or 61%, had total sales lower than the average. Written substantiation for this financial performance representation is available on reasonable request.

Other than the preceding financial performance representation, THB does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing 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 THB’s management by contacting Dan Hawkins or Tom Casey at 623 Rossanley Dr., Medford OR 97501, (888) 262-2215, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20
OUTLETS AND FRANCHISEE INFORMATION

Our fiscal year ends December 31.

Table 1: Systemwide Outlet Summary 2023 to 2025

Outlet Type	Year	Outlets at Start of Year	Outlets at End of Year	Net Change
Franchised				
	2023	133	146	13
	2024	146	165	19
	2025	165	176	11
Company-Owned*				
	2023	12	12	0
	2024	12	12	0
	2025	12	12	0
Total Outlets				
	2023	145	158	13
	2024	158	177	19
	2025	177	188	11

* Includes affiliate-owned outlets

Table 2: Transfers of Outlets
Franchisees to New Owners (other than Franchisor) 2023 to 2025

State	Year	Number of Transfers
Arizona		
	2023	**2**
	2024	**0**
	2025	**0**
California		
	2023	**8**
	2024	**0**
	2025	**0**
Colorado		
	2023	**1**
	2024	**0**
	2025	**1**
Idaho		
	2023	**0**
	2024	**0**
	2025	**0**
Nevada		
	2023	**0**
	2024	**2**
	2025	**0**
Oregon		
	2023	**0**
	2024	**0**
	2025	**2**
Texas		
	2023	**0**
	2024	**1**
	2025	**1**
Washington		
	2023	**3**
	2024	**0**
	2025	**0**
Total		
	2023	**14**
	2024	**3**
	2025	**4**

Table 3: Status of Franchised Outlets 2023 to 2025

	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Outlets Re-acquired	Ceased Operations for Other Reasons	Outlets at End of Year
Arizona	**2023**	**14**	**2**	**0**	**0**	**0**	**0**	**16**
	2024	**16**	**2**	**0**	**0**	**0**	**0**	**18**
	2025	**18**	**0**	**0**	**0**	**0**	**0**	**18**
California	**2023**	**15**	**0**	**0**	**0**	**0**	**0**	**15**
	2024	**15**	**0**	**0**	**0**	**0**	**0**	**15**
	2025	**15**	**1**	**0**	**0**	**0**	**0**	**16**
Colorado	**2023**	**14**	**2**	**0**	**0**	**0**	**1**	**15**
	2024	**15**	**0**	**0**	**0**	**0**	**0**	**15**
	2025	**15**	**1**	**0**	**0**	**0**	**0**	**16**
Florida	**2023**	**1**	**0**	**0**	**0**	**0**	**1**	**0**
	2024	**0**	**1**	**0**	**0**	**0**	**0**	**1**
	2025	**1**	**1**	**0**	**0**	**0**	**0**	**2**
Georgia	**2023**	**2**	**2**	**0**	**0**	**0**	**0**	**4**
	2024	**4**	**4**	**0**	**0**	**0**	**0**	**8**
	2025	**8**	**0**	**0**	**0**	**0**	**0**	**8**
Idaho	**2023**	**15**	**1**	**0**	**0**	**0**	**0**	**16**
	2024	**16**	**0**	**0**	**0**	**0**	**0**	**16**
	2025	**16**	**1**	**0**	**0**	**0**	**0**	**17**
Illinois	**2023**	**1**	**0**	**0**	**0**	**0**	**0**	**1**
	2024	**1**	**0**	**0**	**0**	**0**	**0**	**1**
	2025	**1**	**0**	**0**	**0**	**0**	**0**	**1**
Indiana	**2023**	**1**	**0**	**0**	**0**	**0**	**0**	**1**
	2024	**1**	**0**	**0**	**0**	**0**	**0**	**1**
	2025	**1**	**1**	**0**	**0**	**0**	**0**	**2**
Kentucky	**2023**	**1**	**1**	**0**	**0**	**0**	**0**	**2**
	2024	**2**	**1**	**0**	**0**	**0**	**0**	**3**
	2025	**3**	**0**	**0**	**0**	**0**	**0**	**3**
Maryland	**2023**	**0**	**1**	**0**	**0**	**0**	**0**	**1**
	2024	**1**	**0**	**0**	**0**	**0**	**0**	**1**
	2025	**1**	**0**	**0**	**0**	**0**	**0**	**1**
Missouri	**2023**	**1**	**0**	**0**	**0**	**0**	**0**	**1**
	2024	**1**	**1**	**0**	**0**	**0**	**0**	**2**
	2025	**2**	**1**	**0**	**0**	**0**	**0**	**3**
Nevada	**2023**	**8**	**2**	**0**	**0**	**0**	**0**	**10**
	2024	**10**	**1**	**0**	**0**	**0**	**0**	**11**
	2025	**11**	**1**	**0**	**0**	**0**	**1**	**11**
New Jersey	**2023**	**0**	**1**	**0**	**0**	**0**	**0**	**1**
	2024	**1**	**1**	**0**	**0**	**0**	**0**	**2**
	2025	**2**	**0**	**0**	**0**	**0**	**0**	**2**
New Mexico	**2023**	**1**	**1**	**0**	**0**	**0**	**0**	**2**
	2024	**2**	**2**	**0**	**0**	**0**	**0**	**4**
	2025	**4**	**0**	**0**	**0**	**0**	**0**	**4**
Ohio	**2023**	**4**	**2**	**0**	**0**	**0**	**0**	**6**
	2024	**6**	**3**	**0**	**0**	**0**	**0**	**9**
	2025	**9**	**0**	**0**	**0**	**0**	**0**	**9**

	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Outlets Re-acquired	Ceased Operations for Other Reasons	Outlets at End of Year
Oregon	**2023**	**31**	**3**	**0**	**0**	**0**	**0**	**34**
	2024	**34**	**0**	**0**	**0**	**0**	**0**	**34**
	2025	**34**	**0**	**0**	**0**	**0**	**0**	**34**
South Carolina	**2023**	**3**	**0**	**0**	**0**	**0**	**3**	**0**
	2024	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2025	**0**	**0**	**0**	**0**	**0**	**0**	**0**
South Dakota	**2023**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2024	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2025	**0**	**1**	**0**	**0**	**0**	**0**	**1**
Tennessee	**2023**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2024	**0**	**1**	**0**	**0**	**0**	**0**	**1**
	2025	**1**	**0**	**0**	**0**	**0**	**0**	**1**
Texas	**2023**	**8**	**3**	**0**	**0**	**0**	**0**	**11**
	2024	**11**	**1**	**0**	**0**	**0**	**1**	**11**
	2025	**11**	**2**	**0**	**0**	**0**	**1**	**12**
Utah	**2023**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2024	**0**	**1**	**0**	**0**	**0**	**0**	**1**
	2025	**1**	**1**	**0**	**0**	**0**	**1**	**1**
Virginia	**2023**	**1**	**0**	**0**	**0**	**0**	**0**	**1**
	2024	**1**	**0**	**0**	**0**	**0**	**0**	**1**
	2025	**1**	**1**	**0**	**0**	**0**	**0**	**2**
Washington	**2023**	**5**	**1**	**0**	**0**	**0**	**0**	**6**
	2024	**6**	**2**	**0**	**0**	**0**	**1**	**7**
	2025	**7**	**0**	**0**	**0**	**0**	**0**	**7**
West Virginia	**2023**	**1**	**0**	**0**	**0**	**0**	**0**	**1**
	2024	**1**	**0**	**0**	**0**	**0**	**0**	**1**
	2025	**1**	**1**	**0**	**0**	**0**	**0**	**2**
Wyoming	**2023**	**2**	**0**	**0**	**0**	**0**	**0**	**2**
	2024	**2**	**0**	**0**	**0**	**0**	**0**	**2**
	2025	**2**	**1**	**0**	**0**	**0**	**0**	**3**
Total	**2023**	**133**	**22**	**0**	**0**	**0**	**9**	**146**
	2024	**146**	**22**	**0**	**0**	**0**	**3**	**165**
	2025	**165**	**14**	**0**	**0**	**0**	**3**	**176**

Table 4: Status of Company-Owned Outlets* 2023 to 2025

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
Oregon							
	2023	12	0	0	0	0	12
	2024	12	0	0	0	0	12
	2025	12	0	0	0	0	12
Total							
	2023	12	0	0	0	0	12
	2024	12	0	0	0	0	12
	2025	12	0	0	0	0	12

* Includes affiliate-owned outlets.

Table 5: Projected Openings as of December 31, 2025

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the 2026 Fiscal Year	Projected New Franchisor-Owned Outlets in the 2026 Fiscal Year*
Arizona	1		
Arkansas	4		
California		2	
Colorado	1		
Florida		1	
Georgia		1	
Illinois	2	1	
Kentucky		1	
Nevada		1	
North Carolina	1	1	
Ohio	2	3	
Oregon		1	
Texas	2	2	
Tennessee	1	1	
Total	14	15	0

*Includes affiliate-owned outlets.

As of February 12, 2026, there were one hundred ninety (190) THB outlets, located in these 24 states: Arizona, California, Colorado, Florida, Georgia, Idaho, Illinois, Indiana, Kentucky, Maryland, Missouri, Nevada, New Jersey, New Mexico, Ohio, Oregon, South Dakota, Tennessee, Texas, Utah, Virginia, Washington, West Virginia, and Wyoming. Casey Hawkins Inc. does not own or operate any THB outlets. Twelve (12) THB outlets are owned and operated by our affiliates. See Items 1 and 19 above.

Franchisee Locations as of December 31, 2025
See Exhibit J

Franchisee Locations opened after December 31, 2025
As of February 12, 2026
See Exhibit J

Franchisees with Signed Agreements, Not Yet Open for Business
As of February 12, 2026
See Exhibit J

In 2025, no franchisee had an outlet terminated, canceled or not renewed. Three franchisees voluntarily ceased to do business with us under franchise agreements in 2025, and three franchisees transferred a total of four franchised outlets to new owners.

Closures of Franchised Locations.

A total of three (3) franchisees closed locations in 2025.

Entity Name	State	Name of Contact	Email
BOSR Holding, LLC	NV	Bryce Olson	bto@btocompany.com
JMJB, LLC	TX	Jacob Miller	jake.thehumanbean@gmail.com
Muggle Bean Inc.	UT	Kimberly Ferguson	kimberlyhumanbeanutah@gmail.com

Transfers of Franchised Locations.

In 2025, these three (3) franchisees transferred a total of four (4) franchised outlets:

Entity Name	City	State	# of outlets	Contact	Email
Robusta Roots, LLC	Woodland Park	CO	1	Amie Greathouse & Holly Speer	hbwoodlandpark@gmail.com
Thomason Bean Co., Inc	Roseburg	OR	2	Dave Thomason	dave@southernoregonelmers.com
PRN Coffee LLC	Carrollton	TX	1	Laura Stark	prncoffee@aol.com

No franchisee has failed to communicate with us, within 10 weeks of the effective date of this Disclosure Document.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with The Human Bean. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

As of the date of this Disclosure Document, we are not currently selling a previously-owned franchised outlet now under our control. To reach the THB Franchisee Advisory Committee, the trademark-specific franchisee organization for THB franchisees, call (888) 262-2215.

Item 21
FINANCIAL STATEMENTS

Attached as Exhibit G are our audited financial statements for fiscal years 2024-2023, dated December 31, 2024; and for fiscal years 2023-2022, dated December 31, 2023 and unaudited interim financials for currency as needed. The audited financial statements as of December 31, 2024 and any unaudited financial statements are included in Exhibit G.

Item 22
CONTRACTS

Copies of all franchise agreements used by the franchisor are attached as exhibits. These documents are as follows:

Exhibit B - Franchise Agreement, State-Specific Addendum (if applicable), Guaranty Agreement, Electronic Funds Transfer Authorization, Manager's Confidentiality Agreement, and Form of Release
Exhibit C - Site Analysis Agreement
Exhibit H - Area Development Agreement and State-Specific Addendum (if applicable)

Item 23
RECEIPTS

Exhibit J, the last page of this Disclosure Document, is a detachable document acknowledging your receipt of this Disclosure Document. The Federal Trade Commission requires that you promptly sign and return one copy of the receipt to us. This does not obligate you to purchase a franchise and it does not obligate us to sell you a franchise. Retain the other copy of the receipt for your records.

EXHIBIT A

STATE-SPECIFIC RIDERS FOR THE MULTI-STATE FRANCHISE DISCLOSURE DOCUMENT OF CASEY HAWKINS, INC.

The following are additional disclosures for the Franchise Disclosure Document of Casey Hawkins, Inc. required by various state franchise laws. Each provision of these additional disclosures will not apply unless, with respect to that provision, the jurisdictional requirements of the applicable state franchise registration and disclosure law are met independently without reference to these additional disclosures.

California

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

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

WE MAINTAIN WEB SITES AT THE FOLLOWING ADDRESSES:

www.thehumanbean.com

www.thebeandrivethru.com

OUR WEBSITES HAVE NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THESE WEBSITES MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov .

The earnings claims figures include averages of our affiliate-owned stores' costs of sales, operating expenses, and other costs or expenses of the kind that must be deducted from your gross revenue or gross sales figures to obtain your net income or profit. You should still conduct an independent investigation of the costs and expenses you will incur in operating your franchise business. Franchisees or former franchisees, listed in the offering circular, may be one source of this information.

1. The following is added to Item 3:

Neither THB nor any person identified in Item 2 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, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

2. The following is added to Item 17:

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.

i. The franchise agreement provides for possible termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. § 101 et seq.).

ii. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law. A contract that restrains a former franchisee from engaging in a lawful trade or business is to that extent void under California Business and Professions Code Section 16600.

iii. YOU MUST SIGN A GENERAL RELEASE IF YOU RENEW OR TRANSFER YOUR FRANCHISE. CALIFORNIA CORPORATIONS CODE §31512 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE INVESTMENT LAW (CALIFORNIA CORPORATIONS CODE §§31000 THROUGH 31516). BUSINESS AND PROFESSIONS CODE §20010 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE RELATIONS ACT (BUSINESS AND PROFESSIONS CODE §§20000 THROUGH 20043).

iv. Franchisee owners and spouses must sign a personal guaranty, making you and your spouse individually liable for your financial obligations under the agreement if you are married. The guaranty will place your and your spouse's marital and personal assets at risk, perhaps including your house, if your franchise fails.

v. The franchise agreement requires binding arbitration. The arbitration will occur at Medford, Oregon with the costs being borne by the non-prevailing party. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside of the State of California.

vi. Both the Governing Law and Choice of Law for Franchisees operating outlets located in California, will be the California Franchise Investment law and the California Franchise Relations Act regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the franchise agreement or amendment to or any agreement to the contrary is superseded by this condition

vii. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

Connecticut

DISCLOSURES REQUIRED BY CONNECTICUT LAW

The State of Connecticut does not approve, recommend, endorse or sponsor any business opportunity. The information contained in this disclosure has not been verified by the state. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

Name of Franchisor: Casey Hawkins, Inc.
Date of Issuance: On Cover Page
Cross-Reference Sheet:

Information required to be disclosed by Connecticut General Statutes § 36b-63:

1. If we fail to deliver the products, equipment or supplies or fail to render the services necessary to begin substantial operation of the business within forty-five days of the delivery date stated in your contract, you may notify us in writing and demand that the contract be cancelled.

2. The Franchise Disclosure Document includes the remainder of the information required to be disclosed by Connecticut General Statutes § 36b-6, otherwise there is no applicable information to disclose.

Hawaii

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF REGULATORY AGENCIES OR A FINDING BY THE DIRECTOR OF REGULATORY AGENCIES THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS OFFERING CIRCULAR CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

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.

Illinois

The State of Illinois requires that the following risk be highlighted:

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.

Item 5 is amended as follows:

THB will defer the due date for payment of the balance of the Initial Franchise Fee (after execution of the Site Analysis Agreement) until Franchisee has opened its THB Outlet at the Premises, or the Illinois Attorney General has lifted its deferral requirement, whichever is sooner. The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.

Illinois law governs the Franchise Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

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.

Maryland

1. Nothing in the Franchise Agreement or any related agreement will be interpreted to require franchisees or developers to waive, release or be estopped from asserting any claims arising under the Maryland Franchise Registration & Disclosure Law.

2. Nothing in the Franchise Agreement or any related agreement will be interpreted to bar franchisees or developers from seeking injunctive relief in Maryland on any claims arising under the Maryland Franchise Registration & Disclosure Law.
3. If a general release is required as a condition of renewal, sale, assignment or transfer, the release will not apply to any claims arising under the Maryland Franchise Registration & Disclosure Law.
4. Any claims arising under the Maryland Franchise Registration & Disclosure Law must be brought within three (3) years after the grant of the franchise.
5. Provisions in the Franchise Agreement and any related agreement permitting the franchisor to terminate upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 USC § 101 et seq.).
6. 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.

Michigan

The state of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you.

(a) A prohibition on the right of a franchisee to join an association of franchises.

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

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

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

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

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

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

(i) Failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.

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

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

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

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

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

The fact that a Notice of Intent is on file with the Attorney General of Michigan does not constitute approval, recommendation, or endorsement by the Attorney General of this offering. Questions regarding the Notice should be directed to the Attorney General of Michigan by phone at **517-373-7117** or:

Attorney General, State of Michigan
Consumer Protection Division - Franchise Registration
Att'n: Division Chief, P.O. Box 30213
Lansing, MI 48909

Minnesota

Minnesota Statute §80C.21 and Minnesota Rule 2860.4400(J) prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in

this Franchise Disclosure Document, our Franchise Agreement or the related agreements can abrogate or reduce any of your rights as provided for in Minnesota Statutes 1984, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

The following is added at the end of the charts in Item 17:

With respect to franchises governed by Minnesota law, we will comply with Minnesota Statute 80C.14 Subd. 3-5 which require, except in certain specified cases:

- that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement; and
- that our consent to the transfer of your franchise will not be unreasonably withheld.

Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statute 80C.12 Subd. 1(G). We will protect your rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols or indemnify you from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the name.

Minnesota Rules 2860.4400(D) prohibits us from requiring you to assent to a general release.

You cannot consent to our obtaining injunctive relief. We may seek injunctive relief. See Minnesota Rule 2860.4400(J). Also, a court will determine if a bond is required.

Our Limitations of Claims section must comply with Minnesota Statute 80C.17 Subd. 5.

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 with the franchise.

New York

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

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT B OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NYS DEPARTMENT OF LAW, INVESTOR PROTECTION BUREAU, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NY 10005 (212) 416-8222. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

> Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:
>
> A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.
>
> B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
>
> C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.
>
> D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

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

> However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

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

5. The following is added to the end of the "Summary" sections of Item 17(v), titled "**Choice of forum"**, and Item 17(w), titled "**Choice of law"**: The foregoing choice of law should not be

considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

North Dakota

A form of Addendum for franchisees in North Dakota is included, following the form of Franchise Agreement. The provisions of the Addendum for franchisees in North Dakota, following the form of Franchise Agreement, also apply to the Site Analysis Agreement. A form of Addendum for area developers in North Dakota is included, following the form of Area Development Agreement.

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.

Virginia

Section 14.7 of the Franchise Agreement permits us to terminate the Franchise Agreement if you are in default under any other franchise agreement or other agreement between you and us. In recognition of the restrictions contained in § 13.1-564 of the Virginia Retail Franchising Act (VRFA), the Franchise Disclosure Document of Casey Hawkins, Inc. is amended as follows:

The following is added to Item 17(h):

Under § 13.1-564 of the VRFA, it is unlawful for a franchisor to cancel a franchise without reasonable cause. Accordingly, if any grounds for default or termination stated in the Franchise Agreement or Area Development Agreement does not constitute "reasonable cause" as defined by the VRFA or the laws of Virginia, that provision may not be enforceable. Under the VFRA, the cross-default provisions of the Franchise Agreement (Section 14.7) and Area Development Agreement (Section 4.4.2) may not be enforceable.

Washington Addendum to the Franchise Disclosure Document

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.
8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.
9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

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

16. **Questionnaires and Acknowledgments.** 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.

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the

offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

The undersigned parties do hereby acknowledge receipt of this Addendum.

Dated this _____ day of _____ 20_____.

_____	_____
Signature of Franchisor Representative	Signature of Franchisee Representative
_____	_____
Title of Franchisor Representative	Title of Franchisee Representative

Wisconsin

The Wisconsin Fair Dealership Law, Wis. Stat. Ch. 135, supersedes any provisions in the Franchise Agreement or related agreements that are inconsistent with that Law.

RIDER FOR RECIPIENTS OF SBA-ASSISTED LOANS

If you qualify for and receive certain loans assisted by the United States Small Business Administration (SBA), the provisions of the SBA Rider to the Franchise Agreement (SBA Form 2462) will apply. The SBA Rider restricts the exercise of our discretion in approving or disapproving a potential transfer of your franchise. The SBA Rider also prevents us from requiring you to sell or lease real estate to us in the event of termination of your franchise. A form of the SBA Rider is included in Exhibit B, following the form of Franchise Agreement.

EXHIBIT B

FRANCHISE AGREEMENT

This Franchise Agreement (this "Agreement") is by and between Casey Hawkins, Inc., an Oregon corporation with an address at 623 Rossanley Drive, Medford, OR 97501 ("THB") and

("Franchisee").

This Agreement is effective as of _____ or (if blank) on the date this Agreement is first signed by both parties ("Effective Date").

Drive-Through Address (if known):

_____ ("Premises")

Projected Opening Date: _____

RECITALS:

A. Casey Hawkins, Inc. ("THB") has over a period of time and at considerable expense developed and established a uniform method of operations in connection with its drive-through restaurants specializing in espresso, coffee, and related items. The drive-through restaurants do business under our registered trademarks, including **THE HUMAN BEAN**. The "THB System" includes THB's supply chain and all the techniques, processes, methods, specifications, and proprietary marks and information of THB, as set out in the THB Operations Manual.

B. THB owns certain trademarks and service marks, including "The Human Bean," U.S. No. 2,493,213. These marks are referred to in this Agreement as the "Proprietary Marks" or "THB Marks" (as listed in Section 4.3 of this Agreement).

C. Franchisee desires to make use of the Proprietary Marks and the THB System, and to establish a drive-through serving espresso, coffee, and related items (the "THB Outlet") to be operated in accordance with the methods, practices, and procedures set forth from time to time by THB in its operations manual (the "Operations Manual"). THB is willing to grant Franchisee the right to do so under the terms, conditions, and provisions set forth in this Agreement. (This Agreement, along with the Appendices, Addenda, Attachments, and Exhibits attached to it and/or executed with it constitute the Franchise Agreement and are referred to in this Agreement as the "Franchise Agreement" or this "Agreement.")

D. Capitalized terms used in this Agreement, unless defined in the body of this Agreement, have the meanings assigned in Section 18.

FRANCHISE AGREEMENT

1. The Franchise.

1.1 Franchise Grant. THB grants Franchisee a franchise that includes the right to use the Proprietary Marks and the THB System, as provided in and during the Term of this Agreement, in connection with the operation of the THB Outlet, at the Premises, or such other location as THB may approve.

1.2 Territorial Exclusivity. THB will not establish another THB outlet within a radius of one mile of the Premises, unless Franchisee first gives its written consent. Franchisee may relocate the THB Outlet within its granted territory only with THB's prior written consent and approval of the relocation site. THB may engage in any lawful business activity (other than establishing another THB outlet) within such one-mile radius, using any of the Proprietary Marks or any other trademark or service mark. If THB and Franchisee or its Affiliate are parties to an Area Development Agreement ("ADA"), then during the term of the ADA, its provisions regarding territorial rights in the Development Area will supersede the more limited grant of territorial exclusivity for individual units set forth in this Section. If an ADA is terminated and not renewed, extended or replaced, but this Agreement remains effective, then the more limited grant of territorial exclusivity for individual units set forth in this Section will apply to the Premises.

1.3 Limitation to Outlet Site. This franchise is granted only for the Premises and, except as provided in Section 1.2, grants no rights outside that site. Except as provided in Section 1.2, THB reserves the sole and unlimited right to establish and operate, or permit others to operate, THB outlets at any location.

1.4 Various Forms of Franchise Agreements. Current franchisees of THB operate under various forms of franchise agreements, and THB's obligations and rights with respect to its various franchisees may differ materially. The existence of different forms or versions of this Franchise Agreement does not entitle Franchisee to benefit from any such difference, nor does it operate to alter or amend this Agreement.

2. Fees.

2.1 Site Analysis Fee. Upon the execution of this Agreement, THB will apply any Site Analysis Fee paid by Franchisee pursuant to a Site Analysis Agreement between Franchisee and THB to the Initial Franchise Fee, as defined below.

2.2 Initial Franchise Fee. The fee for the rights granted under this Agreement (the "Initial Franchise Fee") is Thirty-Five Thousand Dollars ($35,000), which is due upon execution of this Agreement. If your THB Outlet does not open for business within eighteen (18) months of the execution of this Agreement, then THB may terminate this Agreement and retain the nonrefundable portion of the Initial

Franchise Fee. THB may extend this deadline, in writing only and in its sole discretion. In case of failure to open, the nonrefundable portion of the Initial Franchise Fee will total Twenty Thousand Dollars ($20,000), including the Site Analysis Fee ($5,000) and an additional Fifteen Thousand Dollars ($15,000) (subject to applicable state law).

2.3 **Brand Fee**. During the Term, THB will collect the Brand Fee in the amount of one percent (1%) of Franchisee's Adjusted Gross Sales Revenues to be used and accounted for by the Brand Fund, as set out in Sections 8.6.4-8.6.8 below. "Adjusted Gross Sales Revenues" means gross sales revenues less taxes, promotional discounts, and delivery fees, i.e. the aggregate of all sales of The Human Bean products, other items and services made and rendered in connection with the operation of each outlet, including sales made at or away from the premises of your outlet, whether for cash or credit, but excluding all promotional discounts, delivery fees, and taxes, meaning federal, state, or municipal sales, use or service taxes collected from customers and paid to the appropriate taxing authority. You authorize THB to collect the Brand Fee on a monthly basis using Electronic Funds Transfer or ACH Transfer and will execute such bank authorization forms as are required for such transfers. THB reserves the right to a future increase in the Brand Fee, not to exceed two percent (2%) of Adjusted Gross Sales Revenues.

2.4 **Royalty Fee**. THB does not currently charge a royalty fee. Instead, Franchisee will purchase all coffee and espresso beans, all coffee bean or espresso bean products, all logo cups and lids, and most other food and non-food supplies as specified in the Operations Manual, all for use in the operation of the THB Outlet, only from THB or its designated supplier(s). Franchisee's purchase of any coffee or espresso beans, coffee bean or espresso bean products, logo cups, lids, or other supplies as specified in the Operations Manual from other sources will constitute a material breach of this Agreement. THB's gross profit margin on products and supplies sold to Franchisee, exclusive of freight and any applicable taxes, will not exceed forty percent (40%).

3. Term and Renewal.

3.1 **Initial Term**. The initial Term of this Agreement will be ten (10) years from the Effective Date. Provided that Franchisee has met the conditions set forth in Section 3.2, THB will offer Franchisee a successor franchise agreement for another ten (10) years, which will become effective upon the expiration of this Agreement.

3.2 **Renewal**. Franchisee may renew the franchise for additional ten-year terms by accepting THB's offer of successor franchise agreements under Section 3.1, provided that all of the conditions in this Section 3.2 are met.

3.2.1 Franchisee is in substantial compliance with the term of this Agreement and the then-current Operations Manual;

3.2.2 Franchisee has not received more than three (3) written notices of default or breach of this Agreement during the current Term, and no more than two (2) such notices during the five (5) years immediately preceding the Effective Date of the proposed renewal;

3.2.3 Franchisee gives THB written notice of Franchisee's desire to renew not less than sixty (60) days or more than one hundred eighty (180) days before this Agreement expires;

3.2.4 Franchisee pays a renewal fee of Three Thousand Dollars ($3,000) to THB;

3.2.5 Franchisee signs the then-current form of the Franchise Agreement, provided however that changes from the form of this Agreement will be restricted to THB's implementing any reasonable system-wide alterations relating to operations, products, supply, branding, marketing or administration, and also limited by THB's obligations of good faith and fair dealing, together with any ancillary or third-party agreements then being required of new franchisees, and returns these agreements (validly executed by Franchisee) before the expiration of this Agreement;

3.2.6 Franchisee refurbishes or remodels the Premises as THB reasonably directs, or commits to do so by a certain date that is agreeable to THB, provided however that Franchisee will not be required to spend more than sixty-five thousand dollars ($65,000) per THB Outlet to satisfy all such requirements for refurbishment or remodeling;

3.2.7 Franchisee is current on all financial obligations to THB and its approved vendors; and

3.2.8 Franchisee releases all past and present claims against THB, to the maximum extent permitted by applicable law, using the form of release attached as Schedule G.

4. License and Use of Proprietary Marks.

4.1 Ownership of Proprietary Marks. "The Human Bean" and the other Proprietary Marks are trademarks or service marks owned by THB; that these marks together with any other marks that may be acquired by THB in the future, constitute part of the THB System; that valuable goodwill is associated with and attached to the Proprietary Marks; and that any and all goodwill associated with the Proprietary Marks, including any goodwill that arises through Franchisee's licensed activities, inures directly and exclusively to the benefit of THB. Franchisee will not, directly or indirectly, apply to register, register or otherwise seek to own or control any of the Proprietary Marks, or any confusingly similar form or variation, in any place or jurisdiction either within or outside the United States, nor will Franchisee assist any others to do so. Franchisee will not directly

or indirectly contest or aid in contesting the validity or ownership of the Proprietary Marks, and such obligation will survive the termination of this Agreement.

4.2 **License**. During the Term of this Agreement, Franchisee is granted a nonexclusive license, in accordance with the methods, practices, and procedures as set forth from time to time in the Operations Manual, to (1) operate a THB Outlet at the Premises under the trade name "The Human Bean," and (2) to use the Proprietary Marks in connection with the THB System (collectively, the "License"). Franchisee has no right to grant any sublicense of any of the Proprietary Marks. The License is transferable only in the sense that a purchaser of the franchised business may, pursuant to Section 12 of this Agreement, be granted a similar license under its own Franchise Agreement with THB. The License is nonexclusive and relates solely to the THB Outlet. THB, in its sole discretion, has the right, subject to Section 1.2 of this Agreement, to operate or franchise other THB outlets and to grant other licenses in, and to, any or all of the Proprietary Marks; in each case at such location and on such terms and conditions as THB deems acceptable.

4.3 **List of Proprietary Marks**. The Proprietary Marks or THB Marks include the following registered marks, and such other marks as THB may, in its sole discretion, add by amendment of the Operations Manuals:

Trademark or Service Mark	**USPTO Registration Number**
THE HUMAN BEAN	Reg. No. 2,493,213
THE HUMAN BEAN	Reg. No. 8,092,003
THE HUMAN BEAN ESPRESSO COFFEE ETC.	Reg. No. 2,760,822
H2B	Reg. No. 3,264,873
	Reg. No. 5,545,858
	Reg. No. 8,092,001

Trademark or Service Mark	USPTO Registration Number
	Reg. No. 5,545,866
	Reg. No. 8,092,002
	Reg. No. 7,528,285
	Reg. No. 8,098,404
	Reg. No. 7,528,292
POOLSIDE	Reg. No. 7,530,715
	Reg. No. 8,098,405
WITH A BEAN ON TOP	Reg. No. 7,968,937

4.4 **List of Proprietary Marks Subject to Change.** If it becomes advisable at any time in the sole discretion of THB to modify or discontinue use of any of the Proprietary Marks, including "The Human Bean," or to use one or more additional substitute trade or service marks, Franchisee will comply with THB's direction to modify or discontinue use of such mark or use one or more additional or substitute trade or service marks within a reasonable time after notice to Franchisee, and THB's liability to you in such event will be limited to the reasonable cost of replacement of signs, supplies, and other materials bearing the discontinued mark.

4.5 **Limitations on Use of Proprietary Marks**. Franchisee may use the Proprietary Marks only in conformity with the standards and requirements that THB has established or may establish from time to time as set forth in the Operations Manuals. Any unauthorized use, or continued use of the Proprietary Marks after the termination or expiration of this Agreement, will constitute a breach of this Agreement and (potentially) trademark infringement, causing irreparable harm to THB, subject to injunctive relief. Franchisee will submit all printed or electronic forms bearing its corporate name, such stationery, business cards, purchase orders, and invoices to THB for its written approval and not use these items unless approved. Franchisee will not use "The Human Bean" or any other of the Proprietary Marks, or any term confusingly similar to the Proprietary Marks, as a corporate, quasi-corporate, L.L.C., partnership or top-level domain name except as permitted by Section 4.13 of this Agreement or required by applicable law.

4.6 **Maintenance of Good Will in the THB Marks.** Franchisee will refrain from performing any act or engaging in any conduct, either directly or indirectly, that is or may be injurious or prejudicial to the goodwill associated with the Proprietary Marks or the THB System. Any such acts or conduct may cause irreparable harm to THB, entitling THB to seek and obtain injunctive relief.

4.7 **Trade Dress**. Aspects of the Premises décor and design constitute unique and protectable images to the consumer that are identified with THB and are part of the goodwill associated with the THB System. This trade dress is exclusively owned by THB, and this Agreement does not grant any ownership interest in the trade dress to Franchisee. Usage of THB's trade dress by Franchisee, and any goodwill established by that usage, inures to the exclusive benefit of THB.

4.8 **Infringement of Proprietary Marks**. Franchisee will immediately refer to THB (1) any infringement or challenge of which Franchisee becomes aware to the validity or ownership of the trade name and trademark "The Human Bean" or any other of the Proprietary Marks; (2) any complaints of which Franchisee becomes aware made by customers to the media or the public, including use of the Internet in connection with the use of these names and the Proprietary Marks; or (3) any acts of unfair competition of which Franchisee becomes aware, whether by Franchisee or by third parties, that interfere with the relationship of the parties to this Agreement or the relationship between THB and other franchisees. The notification will include all information that is available to Franchisee concerning the infringement, complaint or act of unfair competition.

4.9 **Enforcement of Proprietary Marks**. Franchisee will cooperate with THB in any legal action against third parties brought by THB relating to this Agreement, or to its trade names, trademarks, trade dress, or Proprietary Marks, by providing to THB information or evidence available to Franchisee as THB may request. THB will have full and complete control of any legal or informal action to stop acts of unfair competition or infringement of its Proprietary Marks or trade dress, and THB alone will decide whether any such legal action will be taken.

4.10 **Franchisee Listings and Use of Online Platforms**. THB will, as the controller of all directory Listings using the Marks, submit the Outlet's address, telephone number, and other information to online search directory listings. These include listings maintained by Google, Bing®, Yahoo!®, Yelp®, Meta®, and others. All such online search directory listings for the Outlet are the property of THB, and THB has the right to transfer, terminate, or amend such listings. THB also maintains an online platform for Franchisee web sites, integrated with THB's primary customer-facing site and using sub-domains of its domain, that allows franchisees to customize the content of their individual sites within a branded frame. Franchisee will not maintain any separate website nor use a domain name containing or confusingly similar to any of the Proprietary Marks. Content posted to the franchisee web site will comply with brand content guidelines, as in Section 4.12 below and the Operations Manual.

4.11 **Social Media**. All social media posts by you relating to the franchised business must be through the THB website or an official THB-branded social media account, as described in the Operations Manual. THB does not allow franchisees to promote the franchised location using unreviewed postings on online platforms or social media accounts other than the THB official website or social media account. Use of the THB Marks by you in connection with unapproved online advertising or social media posts is a violation of the terms of this Franchise Agreement and an unlicensed use of the Marks.

4.12 **Brand Content Guidelines**. Franchisee and its owners will keep their business and personal communications strictly separate, and will not use official or unofficial THB-branded web sites or social media accounts to express personal views about controversial social, political or other issues not reasonably related to promoting the franchised business. The provisions of this Section do not apply to your personal accounts. Online content should be reasonably calculated to appeal to the public. THB may review and require revisions, deletions or retractions of online content in the franchisee web pages and official social media accounts. THB's right to edit such online material is inextricably linked with protection of the THB brand and the Proprietary Marks. Franchisee's web pages and social media accounts will include all hyperlinks or other links that THB reasonably requires. Franchisee will not post any material in which any third party has any direct or indirect ownership interest (including video clips, photographs, sound bites, copyrighted text, trademarks or service marks, or any other text or image in which any third party may claim intellectual property ownership interests) without authorization from the owner of the rights and from THB. Franchisee may maintain one or more e-mail addresses and may conduct e-mail communications and online business-to-business transactions without THB's prior written approval, provided that the address and communications comply with all of the requirements (including those pertaining to the use of the Proprietary Marks) contained in this Agreement and any brand usage guidelines in the Operations Manual. Franchisee will comply with all applicable laws and regulations restricting the use of unsolicited calls, emails, faxes and messaging for marketing purposes and regarding the privacy and security of personally identifiable data.

4.13 Use of Proprietary Marks in Corporate Name. Franchisee will not use, as part of its corporate or other business entity name, any of the Proprietary Marks or any other name which, in the judgment of THB, is likely to cause third parties to be confused or mistaken with respect to the separate entities of THB and Franchisee. If required to do so by law, regulation, or ordinance, Franchisee will, before beginning operation of the franchised business, register with the proper local (i.e., city, county, and/or state) authorities its trade or assumed business name, which may, if so required, consist of, or include, a designation that it is doing business as "The Human Bean" or "The Human Bean of Anytown, USA." THB will, if necessary, execute appropriate consents. No such consent may be construed as a relinquishment of THB's exclusive ownership in the name "The Human Bean" or any other of the Proprietary Marks, but will be given only to permit Franchisee to comply with local laws regarding the use of an assumed or fictitious business name. Franchisee consents to such filing or recording by THB or by other franchisees or licensees of THB of the name "The Human Bean" as to enable operation of other espresso drive-throughs using the name "The Human Bean." Upon expiration, termination or cancellation of this Agreement for any reason, Franchisee will, upon THB's request, execute and have properly filed and recorded documents necessary or desirable to effect the cancellation and termination by Franchisee of any filings or recordings by Franchisee of any document containing the name "The Human Bean."

5. Confidentiality.

5.1 Definition of THB Proprietary Information. THB Proprietary Information means all elements of the THB System that are not publicly known, whether or not entitled to protection as a trade secret, including without limitation: (1) ingredients, recipes, and methods of preparing food and drink products; (2) methods of operation of THB outlets; (3) information about products, supplies, services, or procedures; (4) the entire contents of the Operations Manual; (5) any ideas, concepts, formulas, recipes, methods and techniques (including drive-through building plans) relating to the development or operation of a drive-through espresso business conceived or developed by you or your employees during the term of the Franchise Agreement; and (5) any other information disclosed to Franchisee through confidential notifications from THB. THB is the sole owner of the Proprietary Information. Franchisee hereby assigns to Franchisor all right, title and interest in and to any such ideas, concepts, formulas, recipes, methods and techniques (including drive-through building plans) relating to the development or operation of a drive-through espresso business conceived or developed by Franchisee or its employees during the Term, to the extent that such assignment is permitted by applicable law.

5.2 Use and Protection of Proprietary Information. Franchisee will not disclose any of THB's Proprietary Information to any person, other than to Franchisee's employees, and then only to the extent necessary for the operation of the THB Outlet. Franchisee will require its General Manager, as defined in Section 9.1 of this Agreement, to execute a Manager's Confidentiality Agreement substantially

in the form attached to this Agreement, unless Franchisee's General Manager is the same person as Franchisee or an owner of at least a one-half undivided ownership interest in Franchisee. Franchisee will keep the Operations Manual and all other tangible records of Proprietary Information in a secure location at the THB Outlet, and will take reasonable precautions to prevent the disclosure of any of the Proprietary Information to any unauthorized person. Franchisee will not make copies of any of the Proprietary Information fixed in any medium. Franchisee will be responsible to THB for any misuse or publication of THB's Proprietary Information by any of Franchisee's employees or contractors.

5.3 Operations Manual. Franchisee will strictly adhere to the policies, procedures and specifications of the THB System as set forth in the Operations Manual, as it may be revised by THB from time to time in the sole discretion of THB, provided that any such revisions will not effect any material change in the terms of this Agreement. In the event of any dispute as to the contents of the Operations Manual, or any of them, the terms of the copy maintained by THB will be controlling. Franchisee's authorized copy or copies of the Operations Manual remain at all times the property of THB. See Section 8.1.

5.4 Irreparable Harm. Any violation of the terms of this Section 5 may cause irreparable harm to THB, entitling THB to injunctive relief.

6. Covenants Against Competition and Competitive Solicitation.

6.1 Definition of Competition. "Compete" means the operation of or assisting in the operation of a quick-serve restaurant specializing in caffeinated beverages and/or smoothies, the same as or similar to a THB Outlet, and within a geographical area consisting of (1) during the term of this Agreement, anywhere, and (2) after termination of this Agreement, a ten (10) mile radius from the location of any THB-branded outlet then operated by THB or its licensees or franchisees, including the Premises of the THB Outlet licensed by this Agreement.

6.2 Blue Pencil. If a judicial or quasi-judicial authority called upon to enforce this Section 6 deems any of its provisions to be unenforceable by reason of its scope or extent, the parties intend that such authority should enforce such provision to the maximum extent permitted by applicable law per Section 16.2.

6.3 Noncompete and Nonsolicitation Covenants. During the term of this Agreement, and for a period of two (2) years after its expiration or termination, Franchisee will not (a) engage in any business that Competes with any THB outlet, except as authorized in writing by THB, (b) lease or sublease the Premises to any business that Competes with THB, or (c) employ or seek to employ any employee of THB or of any THB franchisee or developer for a period of at least one (1) year following the non-employment of such employee. The one and two-year terms set forth in this Section 6.3 will be extended by any time consumed in litigation or arbitration required to enforce it, including any appeals. For purposes of this Section 6.3, "engage in business" means in any capacity, including as a

franchisee, sole proprietor, partner, limited partner, member, employer, franchisor, stockholder, officer, director, or employee, except in the capacity of shareholder of less than five percent (5%) beneficial interest in the stock of any publicly traded corporation.

6.4 **Irreparable Harm**. Any violation of the terms of this Section 6 may cause irreparable harm to THB, entitling THB to injunctive relief.

7. Establishment of the Franchise.

7.1 **Layout and Design**. THB has prototype building designs from which the Franchisee may choose. If Franchisee desires to build or remodel to a design other than one of the THB prototypes, then Franchisee will submit plans or blueprints for all such construction, improvements and remodeling to THB for its approval, and will make such changes in the plans or blueprints as THB reasonably requests. Expenditure of funds on design or drafting by Franchisee does not obligate THB to approve the plans. THB reserves the right to approve or disapprove the design or plans, in its sole discretion. All such construction, improvements and remodeling of the Premises will meet or exceed any applicable building codes and any other regulations of any local governing body (city, county, or state).

7.2 **Landscaping and Site Improvements.** All plans for the development and landscaping of the site of the THB Outlet, including drive-through directional striping and parking spaces, must be submitted to THB for its approval in writing before the plans are implemented.

7.3 **Licenses and Permits**. Franchisee will determine which licenses or permits are required for any construction, improvement, or remodeling of the THB Outlet, and also for the operation of the THB Outlet. Franchisee will not commence construction, improvement, remodeling or operation of the THB Outlet until all required permits are secured. Franchisee will notify THB immediately if any permit required for operation of the THB Outlet expires, is terminated, or is the subject of any disciplinary action by the issuing agency.

7.4 **Equipment & Point-of-Sale System**. Franchisee will acquire equipment to be used in the operation of the THB outlet from THB and from approved suppliers only. Certain equipment must be purchased through THB, as specified in the Operations Manual. All equipment used in the operation of the THB Outlet must be in accordance with the standards and specifications set forth by THB in the Operations Manual, as it may be amended by THB. THB will have independent access to the information on your point of sale (POS) System. THB may at its option require you to upgrade your POS System, but you will not be required to spend more than $7,000 to fulfill this obligation in any three-year period. You are required to contract with an approved third-party service provider for the use and maintenance of the POS System.

7.5 **Signage & Menu Boards.** Franchisee must acquire signs for advertising and identifying the Franchisee's business as a THB Outlet from THB, its approved supplier, or according to the Alternative Approval Procedure set forth in Section 8.1. All signs and menu boards must be in accordance with the standards and specifications of THB and any applicable laws or regulations. Strict quality control of signage and menu boards is essential to protect and promote THB's Marks, standards, goodwill and uniform image.

7.6 **Communications**. Franchisee will maintain a dedicated telephone number (apart from any phone line at the franchised location) and email address for the administration of the franchised business, communications with THB, and inclusion by THB in its public disclosure of THB franchisees' contact information. Apart from fees expressly required by this Agreement, Franchisee will not be required to pay any fee to THB for communicating with THB. Dedicated accounts are required because these accounts are potentially subject to transfer upon termination, for example as Listings under Section 15.6 of this Agreement.

7.7 **Leases & Lease Addendum.** If Franchisee leases the Premises for the THB Outlet, the lease for the Premises will include the THB Franchisee Lease Addendum, in the form attached to this Agreement. THB will not unreasonably withhold consent to modifications to the form of THB Lease Addendum requested by the lessor of the Premises. Within thirty (30) days of signing a lease for the Premises, Franchisee will provide to THB signed, dated copies of (i) the lease for the Premises and (ii) the THB Lease Addendum.

8. Operation of the THB Outlet.

8.1 **Operations Manual and Alternative Approval Procedure**. Uniformity in all aspects of the operation of the THB Outlet is necessary to protect THB's good will in the THB Marks, and such uniformity will be achieved by Franchisee's strict compliance with all provisions of the Operations Manual. Except as provided in this Section 8.1, Franchisee will strictly comply with the Operations Manual, and will not sell any product at the THB Outlet that is not authorized by the Operations Manual or otherwise approved by THB. Franchisee may make a request in writing to deviate from any of the requirements set forth in the Operations Manual, including the specifications relating to equipment, supplies, recipes, and other aspects of operation. THB will evaluate all such requests and either approve or disapprove, in its sole discretion, within thirty (30) days of its receipt of the request (the "Alternative Approval Procedure"). If THB fails to respond to any request made pursuant to this Section 8.1 within the prescribed time period, the request will be deemed disapproved. Advertising materials are handled as stated in Section 8.6.

8.2 **Restricted Use of the Premises**. The Premises will be used only for and in support of the operation of the THB Outlet. Franchisee will not conduct any other

businesses or activities on the Premises. Franchisee will not wholly or partially let or sublet the Premises without THB's prior written consent.

8.3 **Supplies & Vendor Payments.** You must purchase all food, beverage and other supplies, as specified in the Operations Manual, from our designated supplier or (only if approved according to the procedure set forth in Section 8.1) other approved supplier, and you will use only supplies and ingredients that meet the standards set forth in the Operations Manual. THB will assist you during the initial phase of your operations in procuring necessary supplies (as well as equipment, signs, fixtures, and opening inventory), by providing you with written specifications for these items, names of approved suppliers for these items, and contact information useful in establishing customer relationships with suppliers for these items. The purchase and use of unapproved supplies at your THB Outlet is a violation of this Agreement and potentially a material breach. You must pay all vendors and suppliers within terms; any overdue payment to a vendor or supplier of goods or services for your THB Outlet is a material breach of this Agreement.

8.4 **Coffee and Coffee Beans.** Franchisee will purchase only from THB's approved distributor all of Franchisee's requirements for coffee and espresso beans, as specified in the Operations Manual, or other documents provided or approved by THB as they presently exist or may exist in the future. No coffee or espresso may be served at the THB Outlet that is not purchased through the THB-designated supplier. THB's coffee and espresso bean blends and roasts are distinctive elements of the THB product offerings, and Franchisee's breach of this Section 8.4 will be grounds for immediate termination of this Agreement by THB without opportunity to cure. Franchisee will pay THB-designated coffee or espresso bean vendors within vendor terms.

8.5 **Logo Cups and Lids.** Franchisee will purchase only from THB, or its Affiliate or approved distributor, all of Franchisee's requirements for branded cups and lids bearing the THB Marks or logo, per the Operations Manual. This provision applies to both disposable and re-usable cups and lids. The purchase of branded or unbranded cups or lids from other sources for use at your THB Outlet is a violation of this Agreement.

8.6 **Advertising and Promotions**. Franchisee will promote and advertise the opening of the THB Outlet.

8.6.1 Direct Local Advertising for Opening. Franchisee will spend at least ten thousand dollars ($10,000) directly on local advertising during the first three (3) months before and the first three (3) months after the opening of the THB Outlet. Thereafter, it is recommended but not required to spend at least 2% and up to 7% of gross revenue on local advertising.

8.6.2 Promotional Campaigns. Franchisee will participate in all system-wide promotional and/or charitable campaigns, in whatever form, including by

honoring any system-wide discounts and contributing from proceeds to specified charities.

8.6.3 Promotional Content. Advertising materials made available to Franchisee by THB pursuant to Section 10.6 of this Agreement are approved if used without change. All other advertising and promotional content to be offered or published by or for Franchisee in any medium, including without limitation print, radio, television and Internet, will be submitted to THB for approval or disapproval in advance of its use, and no such advertisement or promotion will be used by Franchisee unless it has first been approved by THB. THB will evaluate all proposed advertising and promotions and either approve or disapprove within fifteen (15) days of its receipt of the request. We will not unreasonably withhold approval for use of proposed advertising materials. We may withdraw a previous approval if we deem it necessary to conform with the THB System or avoid a violation of applicable laws. If THB fails to respond to any request for evaluation of proposed advertising or promotion within the prescribed time period, the proposed advertisement or promotion will be deemed disapproved. Approval is not a representation or guarantee by THB that an advertisement proposed by you complies with applicable law. Menu boards are advertisements for purposes of this Agreement.

8.6.4 Your payment of the Brand Fee in the amount of 1% of your Adjusted Gross Revenue will be made monthly during the term of this Agreement. THB will collect the Brand Fee via Electronic Funds Transfer (EFT), maintain the Brand Fund in a dedicated bank account, and keep it separate from THB's operating funds and other accounts.

8.6.5 Annual Reporting to Franchisees. An unaudited financial statement of the Brand Fund will be available on request annually to you, not more than 120 days after our fiscal year end, along with underlying data showing how proceeds were raised and spent in the previous fiscal year. The Brand Fund will pay reasonable costs for preparing and furnishing its annual report. The annual report of the Brand Fund is Proprietary Information of THB.

8.6.6 Restrictions on Use of Brand Fund. The Brand Fund will primarily be used to pay an independent advertising agency for the creation of content for use in advertising, promotion, and marketing of the THB-branded products/services; and for the administration of the Brand Fund, including its costs for collection of unpaid Brand Fees, provided that (i) not more than twenty-five percent (25%) of the Brand Fund will be used for administrative costs in any fiscal year; and (ii) neither THB nor its Affiliates will receive any payments for providing goods or services to the Brand Fund, apart from reimbursement of expenses. The Brand Fund may be used for the design or maintenance of THB websites or global social media marketing campaigns, so long as the website, campaign or

promotion promotes the branded products/services, and even if it also solicits potential franchisees. The Brand Fund will not be used for any advertising primarily aimed at soliciting prospective franchisees for THB. The Brand Fund will not be used for any placement of advertising content in any local market.

8.6.7 Administration of Brand Fund. THB does not hold the Brand Fund in trust for you, and will have no fiduciary duty to you relating to the Brand Fund. The Brand Fund will be administered by THB, and THB will have final authority over expenditures from the Brand Fund, but (i) THB's obligations of good faith and fair dealing will apply to its decisions about expenditures from the Brand Fund, and (ii) THB will consider the views of the Franchisee Advisory Committee regarding expenditures from the Brand Fund.

8.6.8 Franchisee Advisory Committee. In light of the views of the Franchisee Advisory Committee, we will decide using our reasonable business judgment how to spend contributions to the Brand Fund. Only Franchisees in good standing are eligible to serve on the Franchisee Advisory Committee, and THB may require the removal from the Franchisee Advisory Committee of any franchisee in receipt of written notice of default, breach or violation of this Agreement.

8.7 Continuous Operation. After Franchisee has begun full operation of the THB Outlet, Franchisee may not Abandon the Outlet, i.e. discontinue operation of the drive-through for a period of more than seventy-two (72) hours without THB's prior written consent. If THB, in its sole discretion, consents to a temporary closure, then Franchisee must reopen the drive-through no later than the date designated by THB in its written consent.

8.8 Hours of Operation. Unless otherwise agreed to in writing by THB, Franchisee will keep its THB Outlet open for business to the public and lighted and staffed seven days per week at least from 6 a.m. to 6 p.m. local time or during the hours THB may designate from time to time in the Operations Manual. Franchisee's drive-through will not be closed more than three (3) days in any calendar year during the term of this Agreement, except that closures of up to ten (10) days are allowed for extreme weather events or similar disabling external factors.

8.9 General Operating Requirements. Franchisee will operate the THB Outlet in a professional manner in accordance with the Operations Manual, and maintain the THB Outlet, equipment, fixtures and Premises in good order as specified in the Operations Manual. Franchisee will operate the drive-through at all times in compliance with all applicable laws, rules, ordinances, and regulations.

9. Franchisee's Reporting Requirements & Designated Manager.

9.1 General Manager. Franchisee will appoint an individual with primary overall responsibility for the day-to-day operations of the THB Outlet (the "General Manager"). The General Manager will: (i) have at least such authority to act for Franchisee as is necessary to oversee the day-to-day operations of the THB Outlet; (ii) use best efforts and constant personal attention in the oversight of the day-to-day operations of the THB Outlet; and (iii) reside in the area where the THB Outlet is located. Franchisee's General Manager will have authority to ensure that the THB Outlet is operated according to the terms of this Agreement and the procedures set forth in the Operations Manual. Franchisee will identify the General Manager to THB, and the General Manager will undergo training in the THB system pursuant to Section 10.1 of this Agreement. The General Manager must be capable, in the opinion of THB, of communicating with employees, customers, and suppliers. Any replacement for the originally designated General Manager must meet all of the requirements set forth in this Section.

9.2 Routine Reporting & Control Group. If Franchisee is a legal entity, Franchisee represents and warrants that all of the natural persons in the Control Group have been disclosed to THB as potential guarantors, and will remain for the entire term of this Agreement the only persons entitled to share in any profits from the THB Outlet, unless there is an approved Transfer pursuant to Section 12 below or as otherwise expressly permitted by this Franchise Agreement. Before execution of this Franchise Agreement, and as needed throughout its term, Franchisee will provide to THB copies of documents and information relating to the following, and any proposed changes thereto:

- The members of the Control Group;
- The organizational documents of all legal entities in the Control Group;
- Franchisee's lease for the Premises (if any) and THB Lease Addendum;
- Any proposed replacement of the designated General Manager; and
- Franchisee's loans, to the extent they are collateralized by the building, equipment, or other tangible assets used in the operation of the franchised THB Outlet. You may not grant any security interest in the THB drive-through or the assets used in its operation without THB's prior written approval, which will not be unreasonably withheld. THB's approval may be conditioned on the written agreement by the secured party that, in the event of a default by you, THB will have the right and option (but not the obligation) to purchase the rights of the secured party on payment of all sums then due. If Franchisee (or any member of its Control Group) finances any part of the price paid in connection with the Transfer, the provider of the financing must stipulate that all obligations of the proposed

Transferee, and any security interests retained in the assets being transferred, will be subordinate to the proposed Transferee's obligations to: (1) pay all amounts due to THB; and (2) otherwise comply with this Agreement and all other agreements with THB. Your rights in this Agreement may not be pledged as collateral for any loan.

9.3 Share Certificates & Restrictive Legend. If franchisee is a company or similar entity (not a natural person or de facto partnership of natural persons) it will issue evidence of ownership in the form of share or membership unit certificates, or their equivalent, each of which must include the following restrictive legend:

> **Ownership of these shares, units or other interests is restricted and cannot be transferred, assigned, sold or encumbered, except as stated in the Franchise Agreement for use of the system branded THE HUMAN BEAN. Any other transfer or attempted transfer is void.**

9.4 Crisis Events. Franchisee will immediately notify THB of any Crisis Event, and fully cooperate with THB to ensure that all communications to the public, press or media about the Crisis Event (except as directed by governmental agencies of competent jurisdiction) are made through THB in consultation with its advisers. Franchisee will immediately contact appropriate emergency care providers to assist it in curing any harm or injury from a Crisis Event. To the extent such action is warranted by the Crisis Event, THB will conduct all communication with the news media and/or temporarily close the Franchised Restaurant. THB may engage the services of third party professionals to address the Crisis Event, and Franchisee will cooperate fully with THB in this regard.

10. Services Provided by THB.

10.1 Initial Training. THB has developed a training program for the THB System. THB will provide initial training, and such additional training as THB may in its sole discretion deem necessary from time to time during the term of this Agreement, to two (2) people designated by Franchisee, one of whom should be the General Manager. There will be no fee for this training, however, Franchisee will bear the costs of transportation, lodging, and meals to the extent such costs are incurred. The training described in this Section 10.1 is necessary to the operations of the THB Outlet, and the two designated persons must undergo the training required by this Section. If, in THB's reasonable business judgment, either of the two designated persons is unable to successfully complete the initial training, THB may require that the training be repeated or supplemented, and if such additional training is required, THB may impose a reasonable fee for such training. If, in THB's reasonable business judgment, either of the two designated persons is unable to successfully complete such remedial initial training, THB may require Franchisee to designate a substitute person. Nothing in this Agreement limits THB's right to modify or alter its training programs and offerings.

10.2 **Supplemental Training.** Franchisee or its General Manager will participate in any continuing training program provided by THB through the medium of bulletins, manuals, and other literature, and will comply with the directives and instructions contained in those documents, or delivered by THB during or after inspections. This Section 10.2 does not require THB to provide any training beyond the initial training.

10.3 **Operations Manual**. THB will loan to Franchisee one THB Operations Manual for each THB Outlet. THB may, but is not obligated to, update and revise the Operations Manual from time to time during the term of this Agreement as it deems appropriate. If THB provides any supplemental instructions or information about the operations of the THB Outlet during the term of this Agreement, such instructions or information are deemed part of a revised Operations Manual, whether or not the Operations Manual is actually reissued.

10.4 **Assistance at Opening & Annual Meetings**. THB will provide, at THB's expense, on-site assistance to Franchisee for the opening of the THB Outlet in the form of a representative of THB familiar with the THB System. The on-site assistance will be available on the day of the opening of the THB Outlet. THB may host a scheduled annual meeting for franchisees, at which additional training and new information may be provided, but Franchisee's attendance at such annual meetings is not required.

10.5 **On-Site Assistance**. THB will provide reasonable ongoing support to the THB Outlet, at Franchisee's request, during the term of this Agreement. THB will meet its obligation under this Section 10.5 by responding in a reasonably prompt manner to written or telephonic queries from Franchisee. THB will, upon Franchisee's request, make a representative of THB available for on-site assistance at the THB Outlet (in addition to the on-site assistance provided at the opening of the THB Outlet), and THB will charge a fee for such on-site assistance. THB may require Franchisee to accept on-site assistance, at Franchisee's expense, if in THB's reasonable business judgment Franchisee requires such assistance to operate in accordance with this Agreement and the Operations Manual. Currently the fee is six hundred dollars ($600) per day. In addition, Franchisee will bear the costs of transportation, lodging and meals for the THB representative providing the on-site assistance.

10.6 **Advertising and Point-of-Sale Materials**. THB will make available to Franchisee, without charge (apart from the Brand Fee), certain advertising, promotional, and point-of-sale display materials prepared by or for THB. Franchisee may use any such advertising materials in its own local advertising, provided that Franchisee submits any proposed modifications to THB for evaluation according to the procedure set forth in Section 8.6 of this Agreement. Franchisee will be required to use such point-of-sale materials in the THB Outlet as THB may direct. Nothing in this Section 10.6 requires THB to provide Franchisee with any specific or on-demand advertising, promotional, or point-of-sale display materials.

11. Inspections, Audits and Accounting.

11.1 THB's Right To Inspect. Representatives or agents of THB have the right to enter and examine or inspect the THB Outlet, or any part of the Premises, at any time during normal business hours, and to remove samples of food or non-food items in sufficient quantities for testing to ensure compliance with THB standards and specifications. No payment by THB will be required for such samples. At the time of such examination or inspection, THB or its representatives or designees may give advice and assistance to Franchisee to assist in the management and operation of the THB Outlet, without charge. Franchisee must remedy any curable deficiencies found by the inspector in a timely manner as provided in Section 14.5 of this Agreement. THB's right to inspect extends to any facility or equipment other than the Premises of the THB Outlet used in connection with the operation of the franchised business.

11.2 THB's Right to Audit. At all times, representatives of THB will be given free access to Franchisee's books and records pertaining to the franchised business (including through the POS software, and any third-party platform such as for delivery services), and they may audit those books and records if THB, in its sole discretion, deems an audit necessary. THB may, in its sole discretion, conduct such test and inspections, as it deems necessary to verify gross sales and compliance with this Agreement. If an audit results from Franchisee's failure to prepare, deliver, or preserve statements, reports, or records required by this Agreement, or if any inspection or audit reveals that Franchisee has underreported sales or purchases by more than two percent (2%) during the period covered by the audit, Franchisee will, within thirty (30) days, pay to THB, or reimburse THB for, (1) all of the costs and expenses incurred by THB in conducting the audit or inspection, including attorneys' and accounting fees and costs, (2) all revenue otherwise due THB in relation to inventory and/or supplies not purchased from approved vendors, and (3) interest on applicable revenue at a rate of eighteen percent (18%) per annum or the highest permissible rate, whichever is less. These payments will be without prejudice to any other remedies THB may have under this Agreement or the law, including the right to terminate this Agreement, without opportunity to cure, in the case of intentional underreporting of gross sales or purchases, or purchasing inventory or supplies from other than an approved vendor.

11.3 Provision of and Access to Records. Franchisee will keep full, complete, and accurate books and accounts in accordance with generally accepted accounting principles and in the form and manner prescribed below or as from time to time further prescribed by THB. THB may use all such information for its business purposes, including for improving the THB System, and may disclose it to third parties as reasonably required for such purposes. Such records include all business and financial records and similar data in your possession or control and relating to the franchised Outlet, however created or stored, including data managed or stored on your behalf by a third party. Franchisee will submit the following

reports and data to THB electronically, using the equipment, software and protocols specified in the Operations Manual:

11.3.1 Not later than thirty (30) days after the end of each calendar month, on a THB-approved form, a profit and loss statement of the THB Outlet for the preceding calendar month prepared in accordance with generally accepted accounting principles;

11.3.2 Not later than thirty (30) days after the end of each calendar year, commencing with the opening date of the THB Outlet, on a THB-approved form, a profit and loss statement for the year and a balance sheet (including a statement of retained earnings or partnership accounts) as of the end of the period; and

11.3.3 At the times required, such other periodic forms, reports, and information as may from time to time be prescribed by THB. If Franchisee fails to submit the profit and loss statements required by this Section 11.3 on a timely basis, THB may be irreparably harmed by the failure to receive timely reports, entitling THB to seek injunctive relief. Pursuit of these remedies by THB does not constitute a waiver by THB of its right to pursue any and all other remedies available to it, including termination of this Agreement.

11.4 Preservation of Records. Franchisee will preserve the records described in Section 11.3 and all accounting records and supporting documents relating to the Franchisee's operation of the THB Outlet, including:

(a) Cash disbursement journal (2 years);

(b) Monthly bank statements and check registers (2 years);

(c) Supplier invoices (paid and unpaid) (6 years); and

(d) Such other records as THB may from time to time request.

11.5 Tax Returns. Franchisee will file all federal and state tax returns for the franchised business on a timely basis. THB may require that tax returns from the Franchisee and all shareholders, members, or partners of Franchisee be provided to THB if THB determines, in accordance with the provisions of Section 11.1 of this Agreement, that an audit is necessary.

12. Assignment, Transfer and Sale.

12.1 Control Group. The Control Group will at all times own at least 51% of the voting securities, membership interests, operating profits and losses, or other ownership interests (as applicable) in Franchisee. All members of the Control Group and their spouses (as applicable) will jointly and severally guarantee Franchisee's payment and performance under this Franchise Agreement using the

form of Guaranty Agreement attached. THB reserves the right to require any guarantor to provide personal financial statements to THB from time to time. If any member of the Control Group is a legal entity, the Guaranty will be executed by all individuals who have an ownership interest in that entity.

12.2 **Consent for Transfers & Exceptions**. THB is entering into this Agreement based upon its knowledge of and faith in the ability of Franchisee and the members of the Control Group. Therefore, this Agreement and all the rights granted by it are personal to Franchisee and may not be assigned or Transferred by Franchisee without the prior written consent of THB. Any attempt to assign or Transfer this Agreement, in whole or part, or any interest in any legal entity that is a member of the Control Group, without the prior written consent of THB, will be null and void and will give THB the right to terminate this Agreement and Franchisee's rights under it, in addition to any other remedies THB may have.

12.3 **Transfers without Change In Control.** The Transfer fee provided for in Section 12.8.7 will be waived by THB, and no consent will be required, nor will THB enjoy the right of first refusal under Section 12.7, in the case of a Transfer in any single transaction of up to 20% of the equity interest in Franchisee, provided, however, that after such Transfer the original Control Group still owns at least 67% of all ownership interests in Franchisee. Structuring multiple such exempt transfers to avoid the consent requirement is a material breach of this Agreement.

12.4 **Transfer on Death or Incapacity of Individual Franchisee**. In the event of the death or incapacity of an individual Franchisee or member of the Control Group, the transfer fee provided for in Section 12.8.7 will be waived by THB, and no consent will be required, nor will THB enjoy the right of first refusal under Section 12.7, provided that the Transfer is of the interests of the deceased or incapacitated person to the parent, sibling, spouse or children of that person or to another member of the Control Group.

12.5 **Transfer for Internal Organization**. A Franchisee that is an individual or partnership may transfer this Agreement to a legal entity for the convenience of ownership, and the transfer fee provided for in Section 12.8.7 will be waived by THB, and no consent will be required, nor will THB enjoy the right of first refusal under Section 12.7, provided that: (i) the entity is newly organized; (ii) prior to the Transfer, THB receives a copy of the documents specified in Section 9.2, and the Transferee entity complies with the remaining provisions of Section 9; and (iii) the Control Group has the same proportionate ownership interest in the entity after as before the Transfer. Likewise, the issuance of options or the exercise of options pursuant to a qualified stock option plan or employee stock ownership plan will not be a Transfer and will not require the approval of THB, provided that no more than a total of 49% of Franchisee's outstanding voting securities are subject to the qualified stock option plan or employee stock ownership plan.

12.7 **Advance Notice of Proposed Terms and Right of First Refusal**. If Franchisee, or any shareholder, member, or partner of Franchisee, has received and desires to

accept a signed bona fide written offer from a third party to purchase Franchisee's franchised THB Outlet, then before making any binding commitment regarding such Transfer, Franchisee will notify THB and provide THB with a complete copy of the written offer, together with the following summary information for every proposed Transferee and each of its shareholders, members, or partners: (1) name, address and telephone number; (2) business experience and present occupation; and (3) credit rating and financial status.

THB will have the right and option, exercisable within thirty (30) days after the date THB receives its copy of the offer, to purchase the interest proposed to be transferred, at the price and upon the same terms and conditions specified on the notice.

If THB does not exercise this option, and the business terms of the unaccepted offer are altered, THB must, in each such instance, be notified by Franchisee of the changed offer, and THB will again have thirty (30) days to exercise its right to purchase on the altered terms. If THB does not exercise the option to purchase, then the Transfer may take place on the terms and price set forth in the notice, provided (1) THB gives its written consent, (2) the Transfer takes place no later than six (6) months from the receipt of THB's written refusal to exercise its option to purchase, and (3) all the conditions set forth in Section 12.8 of this Agreement are satisfied.

12.8 Requirements for Consent to Transfer. If a Transfer of all or a partial interest in this Agreement or in the franchised business is proposed and THB does not exercise its right to purchase pursuant to the preceding Section, then THB will either approve or disapprove the proposed Transfer within thirty (30) days, provided Franchisee and Transferee acknowledge that it may take up to ninety (90) days from closing of the Transfer to fully integrate the Transferee into the THB System. THB will not unreasonably withhold consent provided that each of the following conditions is met:

12.8.1 Each Transferee, and each of its owners and guarantors, completes the then-current application process for potential new THB franchisees;

12.8.2 Each Transferee, and each of its owners and guarantors, is, in the reasonable business judgment of THB, (a) financially acceptable, (b) not associated with a competitor of THB, (c) of good moral character and reputation, and (d) otherwise in accordance with THB's criteria, which include work experience and aptitude, ability to devote time and best efforts to the franchised business, residence in the locality where the franchised business is located, equity interest in the franchise, absence of conflicting interests, and other criteria and conditions that THB reasonably applies to new franchisees;

12.8.3 Following an analysis of the terms and conditions of the proposed Transfer, THB, in the exercise of its reasonable business judgment,

concludes that the terms will not interfere with the financial feasibility or future operation of the franchise;

12.8.4 If necessary, in THB's reasonable business judgment, Transferee obtains training by THB and pay THB a training fee in the amount of Five Thousand Dollars ($5,000), with Transferee bearing any travel and room and board expenses;

12.8.5 Each Transferee enters into THB's then-current form of the Franchise Agreement and all other forms of agreements then being required of new franchisees (but all such forms are subject to the same restrictions as set out in Section 3.2.5 above). This Agreement is not assignable, and any assignment of this Agreement will be null and void.

12.8.6 Transferee agrees to complete all remodeling and improvements as required by THB, within the time period specified by THB;

12.8.7 Franchisee or Transferee pays to THB its then current transfer fee. The transfer fee applicable as of the Effective Date of this Agreement is Four Thousand Dollars ($5,000);

12.8.8 Franchisee is in full compliance with this Agreement and has paid all amounts owing to THB and its approved vendors;

12.8.9 Franchisee has executed a general release, in a form satisfactory to THB, of any and all claims against THB or its officers, directors, agents, or employees, to the maximum extent permitted by applicable law; and

12.8.10 If Franchisee or any owners of Franchisee finance any part of the sale price of the transferred interest, Franchisee or such entity owners have agreed that all obligations of Transferee under any promissory notes, agreements, or security interests will be subordinate to Transferee's obligations to THB.

12.9 Sale or Assignment by THB. This Agreement will inure to the benefit of the successors and assigns of THB. THB may assign its rights and obligations under this Agreement to any person or entity, provided that the assignee agrees in writing to assume, at minimum, all obligations and liabilities of THB to Franchisee that arise after the closing date of the assignment of this Agreement by THB. Upon such assignment and assumption, THB will have no further obligation under this Agreement, except for accrued liabilities, if any, not assumed by THB's assignee.

13. Indemnification and Insurance.

13.1 Indemnity. Franchisee will indemnify, defend and hold THB and its officers, directors, and employees harmless from and against all fines, suits, proceedings, claims, causes of action, demands, or liabilities of any kind or of any nature

arising out of or in connection with the construction or operation of Franchisee's THB Outlet.

13.2 **Insurance**. Franchisee, at its sole expense, will at all times keep in force a general commercial liability insurance policy or policies, in a form approved by THB, which approval will not unreasonably be withheld, insuring Franchisee against any and all loss, liability, or expense whatsoever arising from the construction, ownership, or operation of Franchisee's THB Outlet. The policies must have limits as may be from time to time prescribed by THB, but not less than One Million Dollars ($1,000,000) per incident and Two Million Dollars ($2,000,000) aggregate. In addition to the comprehensive general commercial liability insurance, you also must purchase and maintain the following additional insurance coverage:

- Premises and Property, in amounts sufficient to cover loss or damage to the drive-through building, equipment and inventory, including loss or damage from crime, and spoilage from power failure with a deductible not greater than $1,500;
- Employment Practices, in amounts sufficient to cover potential claims by or on behalf of your employees;
- Business Income, in amounts sufficient to cover expenses from unexpected closures of your store;
- Owned and non-owned Auto Liability Insurance with at least $1,000,000 combined single limit; and
- Workers' Compensation, for job-related injuries, in amounts as required by state law.

13.3 **Additional Insured.** A certificate of insurance, evidencing coverage amounts and proof of payment of premium, together with the proof of renewal when applicable, must be promptly furnished to THB by Franchisee. All policies must (1) provide that they can be canceled only after at least thirty (30) days' prior written notice to THB, (2) show THB as a named additional insured, (3) contain provisions denying to the insured the acquisition by subrogation of rights of recovery against THB, and (4) provide that coverage is not limited in any way by reason of any insurance that may be maintained by THB.

14. Defaults and Opportunities to Cure.

14.1 **Default for Insolvency**. Subject to Section 14.8 below, Franchisee will be in default upon the occurrence of an Insolvency Event.

14.2 **Default for Material Breach of the Franchise Agreement**. Franchisee will be in default if Franchisee materially breaches this Agreement by failing to perform,

observe, or comply with any of its material duties and obligations under this Agreement.

14.3 Default for Material Breach of Other Agreements. Franchisee will be in default if Franchisee materially breaches any lease, mortgage, equipment agreement, promissory note, conditional sales contract, or other contract materially affecting the THB Outlet to which Franchisee is a party or by which Franchisee is bound, whether or not THB is a party thereto, including but not limited to the Area Development Agreement, if any, or any other franchise agreement between Franchisee or its Affiliate and THB, or if Franchisee's lease for the Premises is terminated for reason of default by Franchisee. The THB Franchisee Lease Addendum does not obligate THB to prevent or cure any such default by Franchisee on the lease for the Premises.

14.4 Default for Violation of Health and Safety Standards. Franchisee will be in default if THB or any government agency determines that a serious health or safety problem exists at the THB Outlet.

14.5 Cure Periods. Except as otherwise provided in this Section 14.5, Franchisee will have the right to cure any default under this Agreement within thirty (30) days after written notice of default from THB is received by Franchisee, without regard to whether Franchisee accepts or rejects the notice. Notwithstanding the foregoing, the following lesser periods will apply under the circumstances described, in each case starting from notice:

14.5.1 Seven-Day Cure Period—A seven (7) day cure period will apply if Franchisee fails to (i) maintain the insurance coverage required by Section 13.2 of this Agreement; (ii) pay within terms any amounts due to THB, or to any supplier of goods or services to the franchised THB Outlet; (iii) open or operate the THB Outlet for a period of more than seventy-two (72) hours without the prior written consent of THB.

14.5.2 Two Day Cure Period—A two (2) day cure period will apply to any violation of health, safety or sanitation standards, whether prescribed by law, regulation, agency order, or the THB Operations Manual.

14.5.3 No Cure Period—No cure period will be available, and THB may terminate this Agreement, if Franchisee (1) fails to complete both initial and (if required) supplemental training, to THB's reasonable satisfaction; (2) does not open the Outlet within eighteen (18) months of the Effective Date of this Agreement; (3) passes off unapproved third-party products as genuine THB or THB-approved products, or is in default under or breaches its covenants or obligations under Sections 5.2 or 6.3 of this Agreement; (4) Abandons the THB Outlet; (5) commits an act of fraud with respect to its rights or obligations under this Agreement; (6) causes the lease for the Premises of the THB Outlet to be terminated; (7) repeatedly fails to comply with this Agreement or the Operations

Manual, whether or not subsequently cured; (8) having twice previously cured a default or breach of this Agreement, commits the same breach or default again; or (9) undergoes an Insolvency Event.

14.5.4 Statutory Cure Period—If applicable state law requires a cure period for default longer than the cure period specified in this Section 14, the statutory cure period will apply.

14.6 Remedies for Defaults Not Cured.

14.6.1 Interests and Costs—If Franchisee fails to cure a default, following notice, within the applicable time period set forth in Section 14.5, or if this Agreement is terminated as a result of Franchisee's default, and the resolution involves arbitration or litigation, then the prevailing party fee clause set forth in Section 16.3.1 will apply.

14.6.2 Appointment of Receiver—If this Agreement is terminated by reason of Franchisee's default, THB will have the right, at its option, to have a receiver appointed to take possession, manage and control the assets, collect the profits, and make all other necessary arrangements for the operation of the THB Outlet, as ordered by a court of competent jurisdiction. The right to appoint a receiver will be available regardless of whether waste or danger of loss or destruction of the assets exists and without the necessity of notice to Franchisee.

14.7 Cross-Default. If there are multiple franchise agreements in effect between Franchisee (or its Affiliate) and THB, any default by Franchisee under this Agreement will be deemed a default of all franchise agreements between Franchisee (or its Affiliate) and THB. A default by Franchisee under any other franchise agreement between THB and Franchisee will be deemed a default under this Agreement. A default by the guarantor(s) of this Agreement under this Agreement or any other guaranty related to this Agreement will be deemed a default of this Agreement.

14.8 Application of U.S Bankruptcy Code. If Franchisee or any member of the Control Group files for protection under the U.S. Bankruptcy Code, as it may be amended, and if, for any reason, this Agreement is not terminated pursuant to Section 14.1 hereof and is to be assigned to and assumed by a bona fide offeror per the U.S. Bankruptcy Code, then notice to THB of such proposed assumption will be given within twenty (20) days after receipt by Franchisee of such offer, and at least ten (10) days prior to application to a court of competent jurisdiction for authority to enter into such assumption. Such notice will include: (i) the name and address of the proposed assignee, (ii) all of the terms and conditions of the proposed assignment, and (iii) adequate assurance of the assignee's future performance under this Agreement, including satisfaction of the conditions set forth in Section 12.8 of this Agreement. THB will have the prior right and option, to be exercised by notice in writing at any time prior to the effective date of the

proposed assignment, to accept instead an assignment of this Agreement to THB itself, upon the same terms and conditions and for the same consideration, if any, as in the bona fide offer made by the proposed assignee, less any brokerage commissions or other expenses which may be saved by Franchisee, as a result of the exercise by THB of such right. THB will not be liable for the payment of any brokerage commissions or other expenses as a result of the exercise of THB's rights set out in this Section, absent THB's written consent. "Adequate assurance of future performance" means specific evidence showing that the proposed assignee can comply with all requirements, conditions, obligations and duties of a THB franchisee under this Agreement, or the standard form of franchise agreement then being offered to new THB franchisees, and that the proposed assignee meets the conditions set forth in Section 12.8 of this Agreement.

15. Termination.

15.1 Termination for Default. If Franchisee defaults or fails to cure any default timely, THB may, in addition to all other remedies at law or in equity or as otherwise set forth in this Agreement, immediately terminate this Agreement. Termination will be effective immediately upon receipt of a written notice of termination from THB. Notwithstanding the foregoing, absent an express waiver in writing and signed by THB, this Agreement will immediately and automatically terminate upon the occurrence of any event set forth in Section 14.5.3. Upon termination or expiration of this Agreement, THB may advise all suppliers of THB proprietary products and other supplies bearing the THB Marks to cease delivering such items and products to Franchisee.

15.2 Discontinuation of Use of THB System and Proprietary Marks. Upon termination or expiration of this Agreement, Franchisee will immediately cease to use any and all parts of the THB System and any and all THB Marks, trade secrets, confidential information, operating manuals, slogans, signs symbols, or devices used in connection with the operation of the THB Outlet. The prohibition on use of the THB Marks after termination or expiration applies to the use of the words "formerly," "former," "formerly associated," or any words conveying similar meaning and used in conjunction with the THB Marks. Any such unauthorized use or continued use of the THB Marks after the termination of this Agreement will constitute willful trademark infringement by Franchisee, causing irreparable harm to THB.

15.3 De-identification of the Premises. Franchisee will, within thirty (30) days after termination or expiration of this Agreement, provide THB with photographs of the entire interior and exterior of the Premises showing that all signs, posters, menu boards, wall hangings, and other items bearing any of the THB Marks or constituting an element of the trade dress of THB have been removed. If Franchisee fails to provide proof of deidentification of the Premises within such time period, THB may send a representative of THB, or other person, to the Premises to gather evidence of deidentification. In that case, Franchisee will reimburse THB for its reasonable expenses incurred in gathering such evidence,

including travel expenses of THB's employee or representative. If THB is not satisfied that Franchisee has de-identified the Premises, THB may, at its option, require Franchisee to (1) repaint the interior and/or exterior of the Premises in colors and schemes acceptable to THB and (2) make alterations in the Premises, including in the layout of the interior of the building, to de-identify the Premises. THB may enter the Premises without being guilty of trespass or any other tort to satisfy itself that the Premises have been de-identified to its satisfaction and may remove and retain any items and make changes necessary in its sole opinion to de-identify the Premises. Any expenses incurred by THB in removing any signs, insignia, or other branded material from the Premises, or making the changes required for de-identification, will be paid to THB by Franchisee upon demand, together with interest at the highest lawful rate from the date of expenditure until paid. THB retains any other remedy for a breach available at law or in equity.

15.4 Return of Operations Manual and Other Proprietary Information. Upon termination or expiration of this Agreement, Franchisee will immediately return to THB any and all copies of the Operations Manual issued to Franchisee, and all other Proprietary Information in Franchisee's possession in whatever form, including without limitation plans, specifications, recipes, and menus.

15.5 Survival of Covenants Against Competition and Solicitation. The provisions relating to confidentiality set forth in Section 5 of this Agreement, and the covenants against competition and solicitation set forth in Section 6 of this Agreement, will survive any expiration or termination of this Agreement.

15.6 Transfer of Telephone Numbers, Dedicated Accounts and Other Listings. Upon termination or expiration of this Agreement, Franchisee will cease using all Listings, and at THB's election execute all forms and documents required by THB and any service provider to transfer such service and any related Listings to THB, and refrain from using any forwarding instruction that has the effect of circumventing the unconditional obligation of Franchisee to surrender and cease using all Listings. For purposes of this Agreement, "Listings" means and includes, as related to the THB Outlet, telephone or facsimile numbers and Yellow Pages listings/advertisements or other business listings or directories, as well as any account on any social media or publishing platform, and any internet site or domain name registration linked to the THB Marks. Upon termination, THB will have the immediate right to the Listings and to have the associated services transferred to THB. Franchisee appoints THB its true and lawful agent and attorney in fact with full power and authority for the sole purpose of taking such action as is necessary to complete this assignment. The obligation of this Section 15.6 and this power of attorney will survive the termination of this Agreement. Franchisee or its officers, shareholders, partners, and members will not thereafter use the Listings at or in connection with any subsequent business owned or operated by Franchisee or its officers, shareholders, partners, or members or for any other purpose.

15.7 **Right to Purchase Assets**. Upon termination or expiration of this Agreement, THB will have the right, but not the obligation, to purchase from Franchisee any and all tangible assets or property used in the operation of the THB Outlet that THB may specify, at fair market value as of the time of termination, exclusive of personal materials with no value to THB and inventory and supplies not reasonably required in the operation of the business. If Franchisee and THB cannot agree upon a purchase price, then the purchase price will be the average of three (3) independent appraisals. THB and Franchisee will each select one (1) appraiser qualified to evaluate a business of this kind, and the third appraiser will be one chosen and agreed upon by the other two (2) appraisers. If a price cannot be arrived at within sixty (60) days after the termination of this Agreement, then THB may withdraw its election to exercise its option under this Section 15.7.

15.8 **Assignment of Leasehold Interest to THB**. Pursuant to the THB Franchisee Lease Addendum, Franchisee will, upon THB's written request, do whatever is necessary to effectuate and complete the assignment to THB of Franchisee's lease for the Premises.

15.9 **Cross-Termination**. If this Agreement is terminated as a result of a default by Franchisee, THB may, at its option, elect to terminate any or all other franchise agreements between Franchisee (or its Affiliate) and THB. If any other franchise agreement between Franchisee (or its Affiliate) and THB is terminated as a result of a default by Franchisee, THB may, at its option, elect to terminate this Agreement. An incurable or uncured default under this Agreement or any other franchise agreement between Franchisee and THB will be grounds for termination of this Agreement and/or any and all franchise agreements between Franchisee (or its Affiliate) and THB without additional notice or opportunity to cure.

16. Miscellaneous Provisions.

16.1 **Independent Contractors**. The relationship between THB and Franchisee is that of independent contractors. Neither party is the partner, joint venturor, agent, employee, or servant of the other. Franchisee has no authority to bind THB to any contractual obligation or incur any liability for or on behalf of THB. Franchisee will identify itself as an independent owner of the THB Outlet in all dealings with customers, lessors, contractors, vendors, suppliers, public officials, employees, and others. Franchisee will place such notices of this independent ownership on signs, forms, stationery, advertising, and other such materials as THB may at any time reasonably require.

16.2 **Illegality and Survival**. The parties intend that if any of the terms, conditions, or provisions of this Agreement violates applicable law, such term, condition, or provision should be interpreted as enforceable to the extent allowed by applicable law (including modification to the extent necessary for such compliance), and that the remainder of this Agreement should remain in full force and effect without regard to any such interpretation or modification.

16.3 Dispute Resolution.

16.3.1 Mandatory Informal Dispute Resolution Process. A good faith effort to informally resolve any Dispute is required. The party initiating the Dispute must send a written notice to the other party that describes the Dispute, with sufficient information to enable the other party to identify any transactions and accounts at issue, and a description of the Dispute, addressing the nature and basis of the claims and of the relief sought. The party initiating the Dispute will send this notice, including all of the information referenced above, to the other party in writing.

For a period of thirty (30) days from receipt of a completed notice, the parties will negotiate in good faith in an effort to informally resolve the Dispute. If the Dispute is not resolved within thirty (30) days after receipt of notice, you or THB may commence formal resolution of the Dispute. Completion of the informal Dispute resolution process is a condition precedent to you or THB commencing any formal Dispute resolution proceeding in arbitration or small claims court, and any applicable limitations periods will be tolled from the date of receipt of notice through the conclusion of the process. A court of competent jurisdiction will have the authority to enforce this condition precedent to arbitration. Nothing in this section limits the right of a party to raise the sufficiency of a notice or compliance with this process or to seek damages for non-compliance with this process in arbitration.

16.3.2 **Arbitration Procedures.** The arbitration will be administered by the American Arbitration Association ("AAA") and conducted in accordance with the applicable AAA rules ("AAA Rules") as modified by this arbitration agreement. If the AAA is unavailable or unwilling to administer arbitrations consistent with this arbitration agreement, another arbitration provider will be selected by the parties that will administer arbitrations consistent with this arbitration agreement. If the parties cannot agree on a provider, they will petition a court of competent jurisdiction to appoint an arbitration provider that will do so.

16.3.3 **Initiation of Arbitration.** The party seeking to initiate arbitration will provide the other party with the demand for arbitration as specified in the AAA Rules and this arbitration agreement. The party initiating arbitration will personally certify to the AAA that they are a party to this arbitration provision, and provide a copy or link to it. To begin an arbitration proceeding, you or THB must send a personally signed demand for arbitration that describes (a) the nature and basis of the claims, and (b) the nature and basis of the relief sought, including a detailed calculation for such relief. The demand for arbitration must be personally signed by the party initiating arbitration (and their counsel, if represented). By signing the demand for arbitration, a party (and their counsel, if represented) certifies that they have complied with all of the

requirements of Federal Rule of Civil Procedure 11(b), including that the claims and relief sought are neither frivolous nor brought for an improper purpose. The arbitrator is authorized to award any relief or impose any sanctions available under the Federal Rule of Civil Procedure, or applicable federal or state law, against all represented parties and counsel. The party initiating arbitration must follow the appropriate procedures with the AAA to commence the arbitration, which are available at www.adr.org or by contacting the AAA.

16.3.4 **Arbitration Procedures.** The arbitration will be heard by a single, neutral arbitrator. The party initiating arbitration may choose to have the arbitration conducted by phone, video-conference, or in-person hearing, or solely through written submissions, except that the respondent in any arbitration where the claimant is seeking $10,000 or more, or injunctive relief, may elect an in-person hearing. You and a THB representative will personally appear at any hearing (with counsel, if represented). Any in-person hearing will be held in the county or parish in which you reside or at another mutually convenient location. An arbitrator may award on an individual basis any relief that would be available in a court, including injunctive or declaratory relief, but only in favor of the individual party seeking relief, and only to the extent necessary to provide relief warranted by that party's individual claim. To the fullest extent permitted by applicable law, you and we agree that each may bring claims against the other only in an individual capacity and not as a member in any purported class, collective, consolidated, private attorney general, or representative proceeding. Further, unless both you and we agree otherwise, an arbitrator may not consolidate more than one person's claims and may not otherwise preside over any form of class, collective, consolidated, private attorney general, or representative proceeding.

The arbitrator is empowered to follow and enforce this Agreement. If, after exhaustion of all appeals, any of the prohibitions on non-individualized injunctive or declaratory relief and class, collective, consolidated, private attorney general, or representative proceedings are held unenforceable with respect to a particular claim or request for relief (such as a request for public injunctive relief), then such a claim or request for relief will be decided by a court of competent jurisdiction, after all other claims and requests for relief are arbitrated.

The arbitrator will issue a written decision sufficient to explain the essential findings and conclusions. After entry of an award, the arbitrator will apply the cost-shifting provisions of Federal Rule of Civil Procedure 68. Judgment on any arbitration award may be entered in a court of competent jurisdiction, except an award that has been fully satisfied may not be entered.

16.3.5 **Arbitration Costs.** Payment of all filing, administration and arbitrator fees will be governed by the AAA Rules. The parties have a shared interest in reducing the costs associated with arbitration. The parties will work together in good faith to ensure that arbitration remains cost-effective. The parties will be responsible for their own attorneys' fees and costs in arbitration, unless they are authorized by law or the arbitrator determines that a claim was frivolous or brought for an improper purpose

16.3.6 **Procedures for Mass Arbitrations**. These Procedures for Mass Arbitrations (in addition to the other provisions of this arbitration agreement and the applicable AAA Rules) will apply if you choose to bring your Dispute as part of a Mass Arbitration. If twenty-five (25) or more similar Disputes (including yours) are asserted against THB by the same or coordinated counsel or are otherwise coordinated ("Mass Arbitration"), these Additional Procedures for Mass Arbitrations will apply. They are designed to lead to the streamlined and cost-effective resolution of claims, ensure that large volume filings do not impose unnecessary burdens or impediments to the resolution and cost-effective adjudication of similar claims, and preserve the integrity of the arbitration process. If you bring your Dispute as a part of a Mass Arbitration, the resolution of your Dispute might be delayed and it might ultimately proceed in court and not in arbitration. The parties will meet and confer in good faith in an effort to resolve any Disputes, streamline procedures, address the exchange of information, modify the number of Disputes to be adjudicated, and conserve the parties' and the AAA's resources.

If you choose to bring your Dispute as part of a Mass Arbitration, any applicable limitations periods (including statutes of limitations) will be tolled for your Dispute from the time that your Dispute is first submitted to the AAA until your Dispute is selected to proceed as part of a staged process or is settled, withdrawn, otherwise resolved, or opted out of arbitration pursuant to this provision.

STAGE ONE: If at least one hundred (100) Disputes are submitted as part of the Mass Arbitration, counsel for the claimants and counsel for THB will each select 50 Disputes to be filed and to proceed as cases in individual arbitrations as part of this initial staged process.

The number of Disputes to be selected to proceed in Stage One may be increased by agreement of counsel for the parties (and if there are fewer than 100 Disputes, all will proceed individually in Stage One). Each of the 100 (or fewer) cases will be assigned to a different arbitrator and proceed individually. If a case is withdrawn before the issuance of an arbitration award, another claim will be selected to proceed as part of Stage One. The remaining Disputes will not be filed or deemed filed in

arbitration, and no arbitration fees will be assessed or collected in connection with those claims. After this initial set of proceedings, counsel for the parties will participate in a global mediation session with a professional neutral mediator, jointly selected by the parties, in an effort to resolve the remaining Disputes, and THB will pay the mediator's fee

STAGE TWO: If the remaining Disputes have not been resolved at the conclusion of Stage One, counsel for the claimants and counsel for THB will each select 100 Disputes per side to be filed and to proceed as cases in individual arbitrations as part of a second staged process.

The number of Disputes to be selected to proceed as part of this second staged process can be increased by agreement of counsel for the parties (and if there are fewer than 200 Disputes, all will proceed individually in Stage Two). No more than five cases may be assigned to a single arbitrator to proceed individually. If a case is withdrawn before the issuance of an arbitration award, another claim will be selected to proceed as part of Stage Two. The remaining Disputes will not be filed or deemed filed in arbitration, and no arbitration fees will be assessed or collected in connection with those claims. After this second set of staged proceedings, the parties will engage in a global mediation session of al remaining Disputes with a professional neutral mediator, jointly selected by the parties, in an effort to resolve the remaining Disputes, and THB will pay the mediator's fee

Upon the completion of the mediation set forth in Stage Two (and assuming the parties do not jointly agree to continue engagement through further mediation or otherwise), each remaining Dispute (if any) that is not settled or not withdrawn will be opted out of arbitration and may proceed in a court of competent jurisdiction, consistent with the remainder of the Terms. However, the parties may mutually agree in writing to proceed with the adjudication of some or all of the remaining Disputes in individual arbitrations consistent with the process set forth in Stage Two (except that Disputes will be randomly selected and mediation will be elective by agreement) or through another mutually agreeable process. A court of competent jurisdiction will have the authority to enforce the Procedures for Mass Arbitrations, including the power to enjoin the filing or prosecution of arbitrations and the assessment or collection of arbitration fees. The Procedures for Mass Arbitrations and each of its requirements are essential parts of this arbitration agreement. If, after exhaustion of all appeals, a court of competent jurisdiction decides that the Procedures for Mass Arbitrations apply to your Dispute and are not enforceable, then your Dispute will not proceed in arbitration and will only proceed in a court of competent jurisdiction consistent with the remainder of the Terms.

16.3.7 **Class Action and Jury Trial Waivers.** Any proceeding, whether in arbitration or in court, will be conducted only on an individual basis and not in a class, collective, consolidated, private attorney general, or representative action. You waive any right to bring or to participate in such an action in arbitration or in court to the fullest extent permitted by applicable law. To the fullest extent permitted by applicable law, you and THB waive the right to a jury trial.

16.4 **Notices.** All notices specified by this Agreement or required by law must be in writing and may be given by: (i) personal delivery, (ii) certified mail, return receipt requested; (iii) any professional courier service that provides tracking for such shipment; or (iv) electronic mail, unless the sender receives a reply message stating that the original message was not delivered or not deliverable. Notice will be directed to the address(es) set forth at the beginning of this Agreement or to such other address(es) as the parties may designate in writing. Notice will be deemed received when actually left in the custody of an adult agent, employee, or resident at a place of business or residence if given by personal delivery, certified mail or courier, and when sent in the case of deliverable electronic mail. Each party will promptly provide the other with any updated contact information.

16.5 **No Waivers**. Failure of a party to insist upon the strict performance of any term, covenant, or condition contained in this Agreement will not constitute or be construed as a waiver or relinquishment of that party's rights to enforce thereafter any such term, covenant, or condition and it will continue in full force and effect.

16.6 **Entire Agreement**. This Agreement constitutes the entire agreement between the parties as to its subject matter and supersedes all prior communications, representations, and agreements, oral or written, of the parties with respect to its subject matter. No other oral or other written understandings or agreements exist between the parties relating to the subject matter of this Agreement. Any modifications to this Agreement must be in writing and signed by all of the parties to this Agreement. Nothing in this or any agreement is intended to disclaim the representations made in the franchise disclosure document(s) furnished to you.

16.7 **Interpretation**. The tables of contents, and the section and paragraph headings of this Agreement, are for the convenience of the reader only, and are not intended to act as a limitation of the scope or meaning of the sections and paragraphs themselves. This Agreement is not to be construed against the drafting party.

16.8 **Approvals**. Except when this Agreement expressly obligates THB reasonably to approve or not unreasonably to withhold its approval of any action or request by Franchisee, THB has the absolute right to refuse any request by Franchisee or to withhold its approval of any action that requires its approval.

17. Representations & Warranties.

17.1 Execution by Authorized Parties. Each party represents and warrants that the person(s) signing this Agreement have full power and authority to do so and that entering into this Agreement is not a breach of or contrary to any other agreement. Franchisee represents that all direct, indirect and beneficial owners of Franchisee have been disclosed and are signing this Agreement.

17.2 No Waiver of Claims. No statement, questionnaire, or acknowledgment signed or agreed to by you in connection with the commencement of the franchise relationship will have the effect of waiving any claims under any applicable state franchise law, including fraud in the inducement. Nothing in this Section 17 waives your rights under applicable state law.

18. Definitions. Capitalized words used in this Agreement have the meaning assigned to them in this Section. The term "include" and like terms mean include without limitation. Words in the singular include the plural when the sense requires (and vice versa). The term "for example" and like terms mean by way of example and not limitation.

18.1 "10+ Owners" means all holders of a legal or beneficial interest of ten percent (10%) or more of the equity, controlling stock or shares in Franchisee.

18.2 "Abandon" means cease to operate a franchised unit for a period of more than seventy-two (72) hours, without the prior written consent of THB, then failing to cure within seven (7) days of notice, as required by Section 8.7.

18.3 "ADA" means an Area Development Agreement, an agreement for the development of multiple THB locations.

18.4 "Adjusted Gross Sales Revenues" means the aggregate of all sales of The Human Bean products, other items and services made and rendered in connection with the operation of each outlet, including sales made at or away from the premises of your outlet, whether for cash or credit, but excluding all promotional discounts, delivery fees, and taxes, meaning federal, state, or municipal sales, use or service taxes collected from customers and paid to the appropriate taxing authority.

18.5 "Affiliate" of a party means any person, corporation, or entity, which, directly or indirectly, or through one or more intermediaries, controls, is controlled by, or is under common control with that party.

18.6 "Alternative Approval Procedure" means a written request to deviate from a requirement set forth in the Operations Manual, such as specifications relating to equipment, supplies, recipes, and other aspects of operation. THB will evaluate all such requests and either approve or disapprove, in its sole discretion, within thirty (30) days of its receipt of the request, as set out in Section 8.1.

18.7 **"Brand Fee"** means a fee of one percent (1%) of Franchisee's Adjusted Gross Sales Revenues, to be used for the Brand Fund.

18.8 **"Brand Fund"** means the fund used to support the THB brand, as set out in Sections 8.6.4-8.6.8.

18.9 **"Control Group"** means and includes (i) all 10+ Owners; (ii) if Franchisee is a limited partnership, all 10+ Owners of Franchisee's general partner; and (3) all 10+ Owners of any corporation or limited liability company that owns a controlling interest in Franchisee.

18.10 **"Crisis Event"** means any event that occurs at, near or in connection with a franchised THB Outlet, and either (i) involves actual or dangerously heightened risk of harm or injury to customers, guests or employees, or (ii) attracts an unusual degree of attention to the brand or to the franchised business, for example, major crimes, fires, and other such newsworthy events.

18.11 **"Dispute"** means any claim or controversy arising out of or relating to this Agreement, whether based in contract, tort, statute, fraud, misrepresentation, or any other legal theory, and also includes: (a) any related Dispute that arose before the existence of this Agreement; (b) any related Dispute that is currently the subject of a purported class action litigation in which you are not a member of a certified class; and (c) any related Dispute that may arise after termination of this Agreement and our relationship with you. The term "Dispute" excludes disagreements or claims concerning patents, copyrights, trademarks, trade secrets, or other intellectual property, and claims of piracy or unauthorized use of intellectual property.

18.12 **"Effective Date"** for the initial Term means the date stated on the first page of this Agreement, or (if blank) the date it is first signed by both parties, and for any renewal Term, the Effective Date is the day the prior term would have expired.

18.13 **"Franchisee" or "You"** means the natural or legal person(s) authorized to operate the franchised Outlet under this Agreement.

18.14 **"General Manager"** means an individual appointed by the Franchisee to have primary overall responsibility for the day-to-day operations of the THB Outlet.

18.15 **"Initial Franchise Fee"** means the fee for the rights granted under this Agreement, as described in Section 2.2.

18.16 **"Insolvency Events"** occur when any of the following conditions is met: Franchisee becomes insolvent or makes an assignment for the benefit of creditors; a voluntary petition in bankruptcy is filed by Franchisee, or an involuntary petition is filed against and consented to by Franchisee or is not dismissed within sixty (60) days; Franchisee is adjudicated as bankrupt; a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and is consented to by Franchisee or is not

dismissed within sixty (60) days; a receiver or other custodian is appointed, or a proceeding for composition with creditors under any state or federal law is instituted by or against Franchisee; or the real or personal property of Franchisee is sold at levy thereupon by any sheriff, marshal, or constable.

18.17 **"License"** means the nonexclusive license granted to Franchisee to (1) operate a THB Outlet at the Premises under the trade name "The Human Bean," and (2) to use the Proprietary Marks in connection with the THB System, all strictly in accordance with the Operations Manual.

18.18 **"Listings"** means and includes all telephone numbers, fax numbers, directory listings, live advertisements, accounts on any social media or publishing platform, and any internet site or domain name registration used by you in the operation of the THB Outlet or linked to the THB Marks.

18.19 **"Operations Manual"** means the document with that title provided to you by THB, together with all other system-wide official communications from THB regarding the matters set forth in the Operations Manual, such as menus, procedures, branding, standards, recipes and equipment, whether or not specifically designated as amendments to the Operations Manual.

18.20 **"Premises"** means the location stated in the preamble of this Agreement, or such other location as THB may approve.

18.21 **"Proprietary Marks"** or **"THB Marks"** has the meaning assigned in Section 4.3 of this Agreement.

18.22 **"Site Analysis Fee"** means the fee paid by Franchisee pursuant to that certain Site Analysis Agreement between Franchisee and THB, as a down payment on the Initial Franchise Fee, as set forth in Section 2.1.

18.23 **"Term"** means the period in which this Agreement is effective, from the Effective Date until termination or expiration. If renewed, the renewal term becomes the Term.

18.24 **"THB" "We"** or **"Us"** means the franchisor, Casey Hawkins, Inc.

18.25 **"THB Outlet"** means your franchised Outlet under this Agreement.

18.26 **"THB Proprietary Information"** means all elements of the THB System that are not publicly known and are useful in the operation of the franchised outlet, whether or not entitled to protection as a trade secret, including without limitation: (i) ingredients, recipes, and methods of preparing food and drink products; (ii) methods of operation of the outlet; (iii) information about products, suppliers, supplies, wholesale prices, services, or vendors; (iv) the entire contents of the Operations Manual; (v) any ideas, concepts, formulas, recipes, methods and techniques (including building plans for THB outlets) relating to the development or operation of a drive-through espresso business conceived or developed by you

or your employees during the term of the Franchise Agreement; and (vi) any other information disclosed to Franchisee through confidential notifications from THB.

18.27 **"THB System"** means and includes all the techniques, processes, methods, specifications, Proprietary Marks and information of THB, as set out in the THB Operations Manual.

18.28 **"Transfer"** means any act or circumstance by which ownership or control of Franchisee is shifted in whole or in part from any individual or legal entity to another, including, if Franchisee is itself a legal entity, any changes to the ownership of the stock or membership units or partnership shares of such entity as of the Effective Date of this Agreement, and also includes the issuance of additional stock or membership units in Franchisee or in any member of the Control Group and, if Franchisee is a de facto partnership or legal entity, any change in or addition of partners, shareholders or members, except as expressly permitted by Section 12.

18.29 **"Transferee"** means the natural or legal person acquiring an ownership interest in the Franchisee from a Transfer.

<<Intentionally Blank, Signature Page Follows>>

In witness whereof, the parties hereto have executed and delivered this Franchise Agreement effective on the date stated above or when signed by both parties, whichever is first.

FOR CASEY HAWKINS, INC.

FOR FRANCHISEE (All owners should sign, and also print name next to the word Signature)

_____	_____
Signature	Date
_____	_____
Signature	Date
_____	_____
Signature	Date
_____	_____
Signature	Date
_____	_____

SCHEDULES TO THE FRANCHISE AGREEMENT

Schedule A	SBA Addendum to the Franchise Agreement
Schedule B	THB Addendum to Franchisee's Lease
Schedule C	State-Specific Addenda to the Franchise Agreement
Schedule D	Guaranty of the Franchise Agreement
Schedule E	Electronic Funds Transfer Authorization
Schedule F	Manager's Confidentiality Agreement
Schedule G	Form of Release Agreement

Schedule A

SBA Addendum to Franchise Agreement

THIS ADDENDUM ("Addendum") is made and entered into on _____, 20____, by and between Casey Hawkins, Inc. ("Franchisor"), located at 623 Rossanley Drive, Medford, Oregon 97501, and _____ ("Franchisee"), located at _____. Franchisor and Franchisee entered into a Franchise Agreement on _____, 20__, (such Agreement, together with any amendments, the "Franchise Agreement"). Franchisee is applying for a loan ("Loan") from a lender in which funding is provided with the assistance of the U. S. Small Business Administration ("SBA"). SBA requires the execution of this Addendum as a condition for obtaining the SBA-assisted financing.

In consideration of the mutual promises below and for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, the parties agree that notwithstanding any other terms in the Franchise Agreement:

CHANGE OF OWNERSHIP

- If Franchisee is proposing to transfer a partial interest in Franchisee and Franchisor has an option to purchase or a right of first refusal with respect to that partial interest, Franchisor may exercise such option or right only if the proposed Transferee is not a current owner or family member of a current owner of Franchisee. If the Franchisor's consent is required for any transfer (full or partial), Franchisor will not unreasonably withhold such consent. In the event of an approved transfer of the franchise interest or any portion thereof, the transferor will not be liable for the actions of the Transferee franchisee.

FORCED SALE OF ASSETS

- If Franchisor has the option to purchase the business personal assets upon default or termination of the Franchise Agreement and the parties are unable to agree on the value of the assets, the value will be determined by an appraiser chosen by both parties. If the Franchisee owns the real estate where the franchise location is operating, Franchisee will not be required to sell the real estate upon default or termination, but Franchisee may be required to lease the real estate for the remainder of the franchise term (excluding additional renewals) for fair market value.

COVENANTS

- If the Franchisee owns the real estate where the franchise location is operating, Franchisor may not record against the real estate any restrictions on the use of the property, including any restrictive covenants, branding covenants or environmental use restrictions.

EMPLOYMENT

- Franchisor will not directly control (hire, fire or schedule) Franchisee's employees.

This Addendum automatically terminates on the earlier to occur of the following: (i) the Loan is paid in full; or (ii) SBA no longer has any interest in the Loan.

Except as amended by this Addendum, the Franchise Agreement remains in full force and effect according to its terms.

FRANCHISOR:	**FRANCHISEE:**
By: _____	By: _____
Print Name: _____	Print Name: _____

Note to Parties: This Addendum only addresses "affiliation" between the Franchisor and Franchisee. Additionally, the applicant Franchisee and the franchise system must meet all SBA eligibility requirements.

SBA Form 2462
Must be accompanied by SBA Form 58



Schedule B
Addendum to Lease

Tenant/Franchisee: _____

Landlord/Owner: _____

Address of Premises: _____

Franchisor: **Casey Hawkins Inc., an Oregon corporation d/b/a The Human Bean**

Tenant/Franchisee ("Tenant") and Landlord/Owner ("Landlord") are parties to that certain ground lease agreement, of even date herewith, concerning the premises identified above ("Lease"). This Addendum amends the Lease to allow Franchisor to cure defaults and assume the Lease if needed, all as detailed below. Unless the Lease is first assigned to Franchisor as set out below, Franchisor is an intended third-party beneficiary of the Lease as modified by this Addendum, and not a party to it. This Addendum controls with respect to any assignment to or from Franchisor or a Franchisee that otherwise qualifies as a transfer under the Lease.

Tenant and Franchisor have entered into an agreement ("Franchise Agreement") allowing Tenant to operate a business in the Premises under Franchisor's marks, including THE HUMAN BEAN, which will be used as Tenant's primary trade name. Landlord has not read and is not aware of any of the terms of the Franchise Agreement, and therefore, cannot and does not make any representations or acknowledgements regarding the Franchise Agreement.

In consideration of the foregoing and notwithstanding anything to the contrary contained elsewhere in the Lease, Tenant will have the right, without Landlord's prior written consent but upon at least thirty (30) days' prior written notice to Landlord, to assign the Lease to Franchisor, provided that all of the following conditions are satisfied:

1. Tenant is not at the time of such assignment in default under the Lease or, if Tenant is in default, Tenant or Franchisor cures all Tenant's defaults on or prior to the effective date of such assignment;
2. Franchisor operates the business in the Premises under the trade name THE HUMAN BEAN in the same manner as the franchise is being operated by a majority of Franchisor's other locations, all pursuant to all the terms, covenants and conditions of the Lease;

3. Franchisor assumes in writing, in a form reasonably acceptable to Landlord, the Lease and all of Tenant's obligations thereunder, and an original counterpart or copy of the fully executed assignment/assumption will be provided to Landlord no later than ten (10) business days after the effective date of the assignment; and

No such assignment by Tenant to Franchisor will relieve Tenant or any guarantor of any liability under the Lease; Tenant and any guarantor will continue to be obligated irrespective of any transfer. If Landlord assigns its rights under the Lease to a successor-in-interest that also assumes Landlord's obligations under the Lease, then this Addendum will be binding on any such successor-in-interest.

ASSIGNMENT TO FRANCHISEE

Tenant (including Franchisor as the current "Tenant" if Franchisor has assumed the Lease as provided above) will have the right, without Landlord's prior written consent but upon at least thirty (30) days' prior written notice to Landlord, to assign the Lease to a *bona fide* franchisee of Franchisor ("Franchisee"), provided that all of the following conditions are satisfied:

1. Tenant is not at the time of such assignment in default under any of the terms, covenants or conditions of the Lease or, if Tenant is in default, Tenant or Franchisee will cure all Tenant's defaults on or prior to the effective date of such assignment;
2. Franchisee operates the business in the Premises under the trade name THE HUMAN BEAN in the same manner as the franchise is being operated by a majority of Franchisor's other franchisees, all pursuant to all the terms, covenants and conditions of the Lease;
3. Franchisee assumes in writing, in a form reasonably acceptable to Landlord, the Lease and all of Tenant's obligations hereunder and an original counterpart or copy of the fully executed assignment and assumption agreement will be provided to Landlord no later than ten (10) business days after the effective date of the assignment;
4. If Franchisee is a corporation, partnership or limited liability company, the principal(s) of such entity (and the spouse(s) of such principal(s), as applicable) execute an unconditional personal guaranty(ies) in a form reasonably acceptable to Landlord and an original counterpart or copy of the fully executed personal guaranty(ies) will be provided to Landlord within the same time period set forth above for the assignment and assumption agreement; and
5. The tangible net worth of Franchisee and any new guarantor(s), immediately prior to and following such assignment, is not less than $1,000,000.00, in constant dollars, in the aggregate.

No such assignment by Tenant to Franchisee will relieve Tenant or any Guarantor of any liability under the Lease; Tenant and any Guarantor will continue to be obligated irrespective of any transfer. A *bona fide* franchisee means a franchisee of Franchisor who has executed Franchisor's standard franchise agreement and received all required training under Franchisor's franchise program.

FRANCHISOR'S RIGHT OF ENTRY AND RIGHT TO CURE

Franchisor will have the right, but not the obligation, to enter the Premises, at reasonable times and with prior written notice to Landlord, for the purposes of inspections, protection of proprietary marks (including removal of proprietary marks on the interior and exterior of the Premises), and/or correction of deficiencies by Tenant, including the curing of Tenant defaults under the Lease, as more specifically provided below. Tenant will be responsible for damages or any repairs to the Premises that may result from Franchisor's exercise of its right to enter the Premises, and Landlord will not be liable to Tenant or Franchisor for any costs, damages or causes of action that may result from same.

Franchisor will have the right, but not the obligation, to cure any Tenant default within the applicable cure period afforded to Tenant under the Lease. Landlord will copy Franchisor on any default notices Landlord sends to Tenant under the Lease. Said default notice copy will be either (i) emailed to dan[at]thehumanbean[dot]com or (ii) mailed to the following address: The Human Bean, Att'n Franchisee Leases, 623 Rossanley Drive, Medford OR 97501, which addresses may be changed by written notice to Landlord in the manner provided in the Lease. Landlord will not be responsible to Tenant for any damages Tenant might sustain as a result of action Franchisor takes in accordance with this provision and Tenant expressly releases Landlord for any liability arising from such actions by Franchisor.

For Tenant/Franchisee	For Landlord/Owner
_____ Signature	_____ Signature
_____ Print name/title	_____ Print name/title
_____ (Date)	_____ (Date)

SCHEDULE C

STATE-SPECIFIC ADDENDA TO THE FRANCHISE AGREEMENT

CALIFORNIA ADDENDUM

Any provision to the contrary in the franchise agreement notwithstanding, the following shall apply for all franchisees in the State of California:

Both the Governing Law and Choice of Law for Franchisees operating outlets located in California, will be the California Franchise Investment law and the California Franchise Relations Act regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the franchise agreement or amendment to or any agreement to the contrary is superseded by this condition

No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. Any statements or representations signed by a franchisee purporting to understand any fact or its legal effect shall be deemed made only based upon the franchisee's understanding of the law and facts as of the time of the franchisee's investment decision. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

For Casey Hawkins, Inc.	For Franchisee
_____	_____
_____	_____
Date	Date

ILLINOIS ADDENDUM TO THE FRANCHISE AGREEMENT

This RIDER is made and entered into as of this _____ day of _____, 20__, by and between Casey Hawkins, Inc., an Oregon corporation ("THB"), and _____, whose principle business address is _____ ("Franchisee").

RECITALS

THB and Franchisee are parties to a certain Franchise Agreement of even date herewith. This Rider is annexed to, and forms part of, the Franchise Agreement. This Rider is being executed because (a) Franchisee is a resident of Illinois; and/or (b) the outlet that Franchisee will operate under the Franchise Agreement will be located in the state of Illinois. In accordance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the IFDA or any other law of Illinois is void.

AMENDMENTS

Illinois law governs the Franchise Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

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.

THB will defer the due date for payment of the balance of the Initial Franchise Fee until Franchisee has opened its THB Outlet at the Premises, or the Illinois Attorney General has lifted its deferral requirement, whichever is sooner. The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.

In all other respects, the Franchise Agreement will be construed and enforced according to its terms.

In witness whereof, the parties hereto have executed and delivered this Rider for Use in Illinois, on the date stated above or when signed by both parties, whichever is first.

FOR CASEY HAWKINS, INC.

_____ _____

Signature Date

FOR FRANCHISEE

_____ _____

Signature Date

Additional franchisees:

_____ _____

Signature Date

_____ _____

Signature Date

_____ _____

Signature Date

MARYLAND ADDENDUM TO THE FRANCHISE AGREEMENT

1. Nothing in the Franchise Agreement or any related agreement will be interpreted to require franchisees or developers to waive, release or be estopped from asserting any claims arising under the Maryland Franchise Registration & Disclosure Law.
2. Nothing in the Franchise Agreement or any related agreement will be interpreted to bar franchisees or developers from seeking injunctive relief in Maryland on any claims arising under the Maryland Franchise Registration & Disclosure Law.
3. If a general release is required as a condition of renewal, sale, assignment or transfer, the release will not apply to any claims arising under the Maryland Franchise Registration & Disclosure Law.
4. Any claims arising under the Maryland Franchise Registration & Disclosure Law must be brought within three (3) years after the grant of the franchise.
5. Provisions in the Franchise Agreement and any related agreement permitting the franchisor to terminate upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 USC § 101 et seq.).
6. 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.

The undersigned acknowledges receipt of this Maryland Addendum to the Franchise Agreement.

FRANCHISOR NAME: CASEY HAWKINS, INC. (The Human Bean)

For Casey Hawkins, Inc. For Franchisee

_____ _____

_____ _____

Date Date

NEW YORK ADDENDUM TO THE FRANCHISE AGREEMENT

Any provision to the contrary in the franchise agreement notwithstanding, the following shall apply for all franchisees in the State of New York:

1. To the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

2. You may terminate the Franchise Agreement on any grounds available by law.

3. No assignment of your Franchise Agreement will be made by the franchisor except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

4. The Franchise Agreement's choice-of-law provision is not a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

For Casey Hawkins, Inc. For Franchisee

_____ _____

_____ _____

Date Date

Contact Information for NY Administrator:

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

FRANCHISE AGREEMENT
ADDENDUM FOR FRANCHISEES IN NORTH DAKOTA

CASEY HAWKINS, INC.

Any provision to the contrary in the Franchise Agreement notwithstanding, the following shall apply for all franchisees in the State of North Dakota:

1. Restrictive Covenants. Any restrictive covenants set forth in the Franchise Agreement will be subject to NDCC Section 9-08-06, and will not be enforceable to the extent they may conflict with North Dakota law.

2. Place of Arbitration. The parties will arbitrate disputes as set forth in the Franchise Agreement at a mutually convenient location, not remote from the Franchisee's place of business. .

3. Applicable Law. The Franchise Agreement will be governed by the law of the State of North Dakota.

4. Damages. The Franchise Agreement will not prohibit an award of exemplary or punitive damages to a North Dakota franchisee. The Franchise Agreement will not require any payments of liquidated damages.

5. No General Release. The North Dakota franchisee will not be required to sign a general release upon renewal of the Franchise Agreement.

6. Consent of Jurisdiction. The North Dakota franchisee will not be required to consent to the jurisdiction of the courts in the state of Oregon.

7. No Waiver of Claims. 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.

FOR CASEY HAWKINS, INC.	FOR FRANCHISEE
_____	_____
_____	_____
Date	Date

WASHINGTON ADDENDUM TO THE FRANCHISE AGREEMENT AND ALL RELATED AGREEMENTS

CASEY HAWKINS, INC.

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.
8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

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

16. **Questionnaires and Acknowledgments.** 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.

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or

complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

FRANCHISOR NAME: CASEY HAWKINS, INC.

The undersigned parties do hereby acknowledge receipt of this Addendum.

Dated this _____ day of _____ 20_____.

_____	_____
Signature of Franchisor Representative	Signature of Franchisee Representative
_____	_____
Title of Franchisor Representative	Title of Franchisee Representative
Signature	Date

SCHEDULE D
GUARANTY OF THE FRANCHISE AGREEMENT

This Guaranty of Franchise Agreement ("Guaranty") is effective as of the date it is first signed by both parties or on the following date: _____.

Obligated Party (Franchisee's legal name):

Guarantors (Individual owners of Franchisee):

Obligee (Franchisor): Casey Hawkins, Inc., an Oregon corporation with an address at 623 Rossanley Drive**,** Medford, OR 97501.

The Guaranteed Agreement means that Franchise Agreement, of even date herewith and as it may be amended, between the Obligated Party and the Obligee. The Guarantor is referred to as "you" and like terms.

1. **Guaranty**. For good and valuable consideration, you unconditionally guarantee to THB, and to its successors and assigns, the full, complete, and timely payment and performance of each and all of the terms, covenants, and conditions of the Guaranteed Agreement to be kept and performed during its term by the Obligated Party, including the payment of all royalties, rents, fees, and other charges accruing pursuant to the Guaranteed Agreement.

2. **Insolvency of Obligated Party**. This Guaranty will continue unchanged by the occurrence of any Insolvency Event as defined at Section 14.1 of the Guaranteed Agreement, with respect to the Obligated Party or any assignee or successor of the Obligated Party or by any disaffirmance or abandonment of the Guaranteed Agreement by a trustee in bankruptcy of the Obligated Party. Neither your obligation to make payment or render performance in accordance with the terms of this Guaranty nor any remedy for the enforcement of this Guaranty will be impaired, modified, changed, released, or limited in any manner whatsoever by any impairment, modification, change, release, or limitation of the liability of the Obligated Party or its estate in bankruptcy or of any remedy for the enforcement thereof, resulting from the operation of any present or future provision of the U.S. Bankruptcy Act or other statute, or from the decision of any court or agency.

3. **Waivers.** Your liability under this Guaranty is primary and independent of the liability of the Obligated Party. You waive any right to require THB to proceed against any other person or to proceed against or exhaust any security held by THB at any time or to pursue any right of action accruing to THB under the Guaranteed Agreement. THB may proceed against you and the Obligated Party jointly and severally or may, at its option, proceed against you without having commenced any action, or having obtained any judgment, against the Obligated Party. You waive the defense of the statute of limitations in any action under this Guaranty or for the

collection of any indebtedness or the performance of any obligation guaranteed pursuant to this Guaranty.

4. **Attorney Fees.** In the event of collections action or litigation arising from this Guaranty, the prevailing party will be entitled to its attorney fees and costs, and related expenses both at trial and on appeal.

5. **Notice.** You waive notice of any demand by THB, any notice of default in the payment of rents or any other amounts contained or reserved in the Guaranteed Agreement, or any other notice of default under the Guaranteed Agreement. You expressly agree that the validity of this Guaranty and your obligations will in no way be terminated, affected, or impaired by reason of any waiver by THB; by its successors or assigns; by the failure of THB to enforce any of the terms, covenants, or conditions of the Guaranteed Agreement or this Guaranty; or by the granting of any indulgence or extension of time to the Obligated Party, all of which may be given or done without notice to you.

6. **Binding on Assigns.** This Guaranty will extend, in full force and effect, to any assignee or successor of THB and will be binding upon you and your successors and assigns.

7. **Subrogation.** Until all obligations of the Obligated Party to THB have been paid or satisfied in full, you have no remedy or right of subrogation and you waive any right to enforce any remedy that THB has or may in the future have against the Obligated Party and any benefit of, and any right to participate in, any security now or in the future held by THB.

8. **Subordination.** All existing and future indebtedness of the Obligated Party to you is hereby subordinated to all indebtedness and other obligations guaranteed in this Guaranty and, without the prior written consent of THB, will not be paid in whole or in part, nor will you accept any payment of or on account of any such indebtedness while this Guaranty is in effect.

9. **Choice of Law.** This Guaranty will be construed in accordance with the laws of the state of Oregon, without giving effect to its conflict-of-laws principles.

[Intentionally Blank]

In witness whereof, the Guarantor(s) have executed this Guaranty of Agreement:

_____	_____
Signature	Date
_____	_____
Signature	Date

Schedule E

Electronic Funds Transfer Authorization

Location Number or Name: _____

Federal Tax ID:			
Legal Business Name:			
Location address:			
City:		State:	ZIP Code:
Phone:	Fax:	E-mail:	
Restaurant Contact:		Contact E-mail:	

BANKING INFORMATION / VOIDED CHECK	
Bank Name:	**Routing Number:**
DDA / Account Number:	**Account Type:** ☐ **Checking** ☐ **Savings**

Franchisee hereby authorizes THB and its designated agents to initiate credits and debits, as applicable, to the bank account listed above or such substitute bank account as Franchisee may designate ("Bank Account") through the automated clearing house ("ACH") network. THB or its designated agents will initiate credits and debits to the Bank Account solely in accordance with the Franchisee Agreement between Franchisee and THB. This authority will remain in effect until five (5) business days after THB receives written notice from Franchisee of its change of Bank Account. If the account information provided above changes, Franchisee will provide the current account information to THB within five (5) business days. THB may charge a fee up to $50 per transaction for rejected ACH debits.

ATTACH VOIDED CHECK HERE

_____ _____

Authorized Signature: Date:

_____

Print Name/Title:

SCHEDULE F
MANAGER'S CONFIDENTIALITY AGREEMENT

FRANCHISEE:

_____
(name)

_____
(outlet location)

MANAGER: _____
(name)

_____
(address)

Manager has been designated as the Franchisee's Manager for the drive-through espresso coffee outlet identified above and branded The Human Bean.

1. Manager acknowledges that Manager's designation will require Franchisee to share with Manager certain valuable information (the "Proprietary Information" as defined below) that is the property of Casey Hawkins, Inc., the franchisor of Franchisee's drive-through espresso coffee outlet identified above and branded The Human Bean (the "THB Outlet").

2. The Proprietary Information means all aspects of the system of operations used in Franchisee's THB Outlet that are not publicly known, whether or not entitled to protection as a trade secret, including without limitation: (1) ingredients, recipes, and methods of preparing food and drink products; (2) methods of operation; (3) information about products, supplies, services, or procedures; (4) the entire contents of the Operations Manual; and (5) any other information disclosed to Franchisee through confidential notifications from Casey Hawkins, Inc.

3. Manager agrees not to disclose any of the Proprietary Information to any person, other than to Franchisee's other employees, and then only to the extent necessary for the operation of the THB Outlet. Manager will keep the Operations Manual and all other tangible records of Proprietary Information in a secure location at the THB Outlet, and will take reasonable precautions to prevent the disclosure of any of the Proprietary Information to any unauthorized person. Manager will not make copies of any of the Proprietary Information.

4. Manager's obligations of confidentiality under this Agreement will survive the termination of Manager's designation as Manager by Franchisee. Manager acknowledges that any violation of the terms of this Agreement will cause irreparable harm to the owner of the Proprietary Information. The parties acknowledge that Casey Hawkins Inc. is intended to be a third-party beneficiary of this Agreement, with the right to enforce the terms of this Agreement.

Dated this _____ day of _____, 20__.

_____
(Manager's Signature)

SCHEDULE G
FORM OF RELEASE AGREEMENT

The release to be executed in connection with a transfer of the franchised outlet will be in the following form:

Franchisee and its subsidiaries, parent corporations, affiliates, officers, directors, employees, shareholders, agents, representatives, attorneys, insurers, heirs, and assigns hereby absolutely and unconditionally release and forever discharge Franchisor and its respective subsidiaries, parent corporations, affiliates, officers, directors, employees, shareholders, agents, representatives, attorneys, insurers, heirs, and assigns from any and all actions, suits, proceedings, claims, complaints, charges, judgments and executions, whether liquidated or unliquidated, known or unknown, suspected or unsuspected (collectively, "Claims"), which each ever had, now has, or may have or claim to have arising out of or in any way relating to the business relationship between the parties, provided, however, that such release will not apply to claims alleging violation of the franchise disclosure, registration, or relationship laws of any state, including but not limited to the California Franchise Investment Law, Illinois Franchise Disclosure Act, Maryland Franchise Registration and Disclosure Law, and Washington Franchise Investment Protection Act RCW 19.100, and the rules adopted thereunder. Nothing in this Release Agreement will serve to release future Claims, if any, for breach of this Agreement, or to release future Claims, if any, for any acts or omissions of the parties that occur after the effective date of this Agreement.

EXHIBIT C
SITE ANALYSIS AGREEMENT

This Site Analysis Agreement (this "Agreement") is made and entered into by and between Casey Hawkins, Inc. ("THB") and _____ ("Prospective Franchisee") on this date, _____ (the "Effective Date").

RECITALS

Prospective Franchisee has received and reviewed the THB Franchise Disclosure Document, describing THB's franchised drive-through espresso and coffee business. Prospective Franchisee is applying to become a THB franchisee. In consideration of Prospective Franchisee's payment of Five Thousand Dollars ($5,000), THB is willing to analyze sites proposed by Prospective Franchisee for Prospective Franchisee's THB outlet.

TERMS

1. Prospective Franchisee acknowledges that the THB Franchise Disclosure Document, together with a copy of this Agreement, was received by Prospective Franchisee on _____.

2. Together with a signed copy of this Agreement, Prospective Franchisee attaches a completed copy of THB's Site Analysis Form, with all documents and information required for each site to be evaluated by THB. Prospective Franchisee may submit multiple proposed sites for evaluation by THB up to a maximum of ten (10) sites, provided that each of the proposed sites is within fifty (50) miles of each of the other proposed sites.

3. THB acknowledges receipt of the sum of Five Thousand Dollars ($5,000) from Prospective Franchisee (the "Site Analysis Fee"). If THB, in the exercise of its reasonable business judgment, deems one or more of Prospective Franchisee's proposed sites suitable for a THB outlet, THB will apply the Site Analysis Fee to the Initial Franchise Fee of Thirty-Five Thousand Dollars ($35,000) payable by Prospective Franchisee upon the execution of a franchise agreement with THB, provided that Prospective Franchisee pays the balance of the Franchise Fee within ninety (90) days of receipt of site approval from THB (Section 5 below).

4. The Site Analysis Fee is nonrefundable. If THB and Prospective Franchisee are unable to agree on a site for the THB outlet within nine (9) months of payment of the Site Analysis Fee, or they are unable to agree to the terms of the franchise agreement, or if for any other reason Prospective Franchisee does not enter into a franchise agreement with THB, the Site Analysis Agreement will terminate, and the Site Analysis Fee will be deemed fully earned by THB and will not be refunded.

5. If THB approves one or more of the proposed sites, Prospective Franchisee will have ninety (90) days from the receipt of notice of site approval to pay the balance of the Franchise Fee and enter into a franchise agreement with THB. If Prospective Franchisee does not enter into a franchise agreement with THB within the allotted time, the Site Analysis Fee will be deemed

fully earned by THB and will not be refunded, even if a franchise agreement is entered into at a later time. Nothing in this Agreement will be construed to require either party to enter into a franchise agreement with the other party.

6. The rights and liabilities of the parties arising out of or relating to this Agreement, apart from rights arising from a state statute or regulation pertaining to franchises or the franchise relationship, will be governed by the laws of the state of Oregon, and any dispute arising out of or relating to this Agreement will be submitted to binding arbitration at a mutually convenient location pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Judgment on the award may be entered in any court of competent jurisdiction; provided, however, that either party may seek preliminary injunctive or other equitable relief pending arbitration to prevent irreparable harm. The prevailing party in any arbitration or litigation will be entitled to recover all reasonable expenses thereof, including attorneys' fees in connection with such proceedings or any appeal thereof. To the extent permitted by applicable state law, the parties hereby waive any right to or claim of any consequential, punitive, or exemplary damages against the other and agree that in the event of a dispute between them each will be limited to the recovery of any actual damages sustained by it.

7. If any provision of this Agreement is deemed by operation of law altered or void, all other provisions of this Agreement will remain in full force and effect. If the Franchise Agreement includes a state-specific amendment or addendum, all the provisions of that amendment or addendum apply to this Site Analysis Agreement. Failure of a party to insist upon the strict performance of any term, covenant, or condition contained in this Agreement will not constitute or be construed as a waiver or relinquishment of that party's rights to enforce thereafter any such term, covenant, or condition and it will continue in full force and effect.

In witness whereof, the parties hereto have executed and delivered this Site Analysis Agreement effective on the date stated above.

FOR CASEY HAWKINS, INC.

FOR FRANCHISEE (All owners should sign, and also print name next to the word Signature)

_____	_____
Signature	Date
_____	_____
Signature	Date
_____	_____
Signature	Date
_____	_____

Signature Date

EXHIBIT D

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EXHIBIT E

Our agent for service of process in California is:

Commissioner of Financial Protection & Innovation
California Dept. of Financial Protection & Innovation
One Sansome St., Ste. 600
San Francisco, CA 94104
(415) 972-8559

Our agent for service of process in Hawaii is:

Commissioner of Securities
Dept. of Commerce & Consumer Affairs
Business Registration Division
335 Merchant Street
Honolulu, HI 96813
(808) 586 2722

Our agent for service of process in Indiana is:

Commissioner of Securities
Office of Secretary of State
302 West Washington, Room E-111
Indianapolis, IN 46204
(317) 232 6681

Our agent for service of process in Illinois is:

Attorney General
500 South Second Street
Springfield, IL 62706
(217) 782 4465

Our agent for service of process in Maryland is:

Securities Commissioner
Division of Securities
200 St. Paul Place, 20th Floor
Baltimore, Maryland 21202-2020
(410) 576 6360

Our agent for service of process in Minnesota is:

Commerce Commissioner
Minnesota Dept. of Commerce
85 7th Place East, Suite 280
St. Paul, MN 55101
651-539-1600

Our agent for service of process in Oregon is:

David Silverman, Silverman Law LLC
1050 SW 6th Ave Ste 1100
Portland, OR 97204
503-219-3750

Our agent for service of process in New York is:

Secretary of State
99 Washington Avenue
Albany, NY 12231
212-416-8222

Our agent for service of process in North Dakota is:

Insurance Commissioner
600 East Boulevard Avenue, Dept. 401
Bismarck, ND 58505
(701) 328-2910

Our agent for service of process in South Dakota is:

Director, Division of Securities
124 S. Euclid Ave.
Pierre, SD 57501
(605) 773 3563

Our agent for service of process in Virginia is:

Clerk of the State Corporation Commission
1300 E. Main St., 1st Floor
Richmond, VA 23219
(804) 371-9051

Our agent for service of process in Washington is:

Administrator of Securities
150 Israel Road SW
Tumwater WA 98501
(360) 902-8760

Our agent for service of process in Wisconsin is:

Director of the Dept. of Financial Institutions
201 West Washington Ave.
Madison, WI 53703
(608) 266 0448

EXHIBIT F

LIST OF STATE ADMINISTRATORS

California Commissioner of Financial Protection and Innovation Dept. of Financial Protection and Innovation One Sansome St., Ste. 600 San Francisco, CA 94104 (866) 275-2677	North Dakota North Dakota Insurance & Securities Dept. 600 East Boulevard Avenue, Dept. 401 Bismarck, ND 58505 (701) 328-2910
Hawaii Hawaii Commissioner of Securities State of Hawaii Dept Commerce & Consumer Affairs Business Registration Division – Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Oregon Corporate Securities Section Dept. of Insurance & Finance Labor & Industries Bldg. Salem, OR 97310 (503) 378-4387
Illinois Franchise Bureau Office of Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465	Rhode Island Dept. Business Regulation 1511 Pontiac Ave., Bldg. 69-1 Cranston, RI 02920 (401) 277-3048
Indiana Franchise Division Office of Secretary of State 302 West Washington, Room E-111 Indianapolis, IN 46204 (317) 232-6681	South Dakota Franchise Office Division of Securities 124 S. Euclid Ave. Pierre, SD 57501 (605) 773-3563
Maryland Office of the Attorney General Division of Securities 200 St. Paul Place, 20th Floor Baltimore, Maryland 21202-2020 (410) 576-6360	Virginia: Securities & Retail Franchising Div. State Corporation Commission 1300 E. Main St. Richmond, VA 23219 (804) 371-9051

Michigan Consumer Protection Division, Franchises Office of Attorney General 670 Law Building Lansing, MI 48913 (517) 373-7117	Washington Dept. of Financial Institutions Securities Division 150 Israel Road SW Tumwater WA 98501 (360) 902-8760
Minnesota Securities Unit Department of Commerce 85 7th Place East, Suite 280. St. Paul, MN 55101 651-539-1600	Wisconsin Wisconsin Dept. of Financial Institutions 201 West Washington Ave. Madison, WI 53703 (608) 266-0448
New York NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 212-416-8222	

EXHIBIT G

AUDITED FINANCIALS

2024-2022

Casey Hawkins, Inc.

Financial Statements
As of December 31, 2024 and 2023
and for the years ended December 31, 2024, 2023 and 2022

Casey Hawkins, Inc.

Financial Statements

As of December 31, 2024 and 2023
and for the years ended December 31, 2024, 2023 and 2022

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Independent Auditor's Report

To the Board of Directors and Shareholders
Casey Hawkins, Inc.
Medford, Oregon

Report on the Financial Statements

Opinion
We have audited the financial statements of Casey Hawkins, Inc. (the "Company"), which comprises the balance sheets as of December 31, 2024 and 2023, and the related statements of operations, changes in stockholders' equity (deficit), and cash flows for the years ended December 31, 2024, 2023 and 2022, and related notes to the financial statements.

In our opinion, the accompanying financial statements presents fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations, changes in stockholders' equity (deficit) and cash flows for the years ended December 31, 2024, 2023 and 2022 in accordance with accounting principles generally accepted in the United States of America.

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

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

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

A+G LLP

Dallas, Texas
March 5, 2025

Balance Sheets

As of December 31,	**2024**	2023
Assets		
Current assets:		
Cash and cash equivalents	**496,937**	548,779
Restricted cash	**734,680**	884,656
Accounts receivable, net	**195,039**	297,026
Unbilled revenue	**595,191**	526,929
Inventory	**1,118,887**	1,501,548
Prepaid expense and other current assets	**59,885**	46,335
Total current assets	**3,200,619**	3,805,273
Property and equipment, net	**510,103**	602,145
Operating lease right-of-use assets	**158,386**	326,752
Intangible assets, net	**165,000**	165,000
Total assets	**4,034,108**	4,899,170

See accompanying notes and independent auditor's report. 5

Balance Sheets (continued)

As of December 31,	**2024**	2023
Liabilities and Stockholders' Deficit		
Current liabilities:		
Accounts payable and accrued expenses	**497,467**	669,681
App fund payable	**635,236**	828,927
Gift card payable	**217,797**	217,526
Brand fund liability	**96,904**	108,707
Refundable franchise fees	**440,000**	730,000
Customer deposits	**277,755**	477,065
Deferred revenue	**250,886**	254,608
Operating lease liability	**160,565**	261,118
Current portion of long-term debt	**-**	1,458
Total current liabilities	**2,576,610**	3,549,090
Deferred revenue, net of current portion	**1,856,930**	1,753,609
Operating lease liabilities, net of current portion	**-**	66,381
Total liabilities	**4,433,540**	5,369,080
Stockholders' deficit:		
Common stock, no par value, 1,000 shares authorized and 113.6 and 111.7 shares issued and outstanding as of December 31, 2024 and 2023	**-**	-
Additional paid-in capital	**204,938**	204,938
Retained deficit	**(604,370)**	(674,848)
Total stockholders' deficit	**(399,432)**	(469,910)
Total liabilities and stockholders' deficit	**4,034,108**	4,899,170

See accompanying notes and independent auditor's report.

Statements of Operations

For the years ended December 31,	**2024**	2023	2022
Revenues:			
Equipment revenue	**2,117,188**	2,421,620	1,393,461
Product revenue	**1,285,550**	1,133,242	1,139,956
Repair and parts revenue	**97,661**	117,061	102,092
Shipping revenue	**163,588**	123,700	142,996
Rebate revenue	**6,579,391**	5,430,313	4,909,070
Franchise fee revenue	**531,401**	639,728	317,407
Brand fund revenue	**1,310,177**	1,182,973	1,100,703
Other revenue	**59,819**	1,578	3,898
Total revenues	**12,144,775**	11,050,215	9,109,583
Costs of goods sold:			
Equipment costs	**1,754,487**	1,915,486	1,124,225
Product costs	**993,029**	960,041	1,108,035
Repair and parts costs	**113,588**	143,830	128,755
Shipping costs	**204,589**	174,399	218,426
Other costs	**57,764**	62,400	105,216
Total costs of goods sold	**3,123,457**	3,256,156	2,684,657
Gross profit	**9,021,318**	7,794,059	6,424,926

Statements of Operations (continued)

For the years ended December 31,	**2024**	2023	2022
General and administrative expenses:			
Depreciation	**123,324**	115,445	104,613
Advertising and marketing	**387,067**	313,296	269,983
Brand fund expense	**1,310,177**	1,182,973	1,100,703
Personnel cost	**3,809,388**	3,337,153	2,873,339
Professional fees	**143,812**	335,867	178,731
Operating lease costs	**365,264**	231,986	221,596
Repairs and maintenance	**89,736**	69,045	59,209
Travel and lodging	**388,633**	548,622	436,424
Utilities	**38,533**	32,773	25,243
Other general and administrative expenses	**758,147**	587,887	438,194
Total general and administrative expenses	**7,414,081**	6,755,047	5,708,035
Income from operations	**1,607,237**	1,039,012	716,891
Other income (expense):			
Interest Income	**13,248**	13,933	-
Interest expense	**(7)**	(269)	(775)
Loss on lease termination	**-**	(3,857)	-
Total other income (expense)	**13,241**	9,807	(775)
Net income	**1,620,478**	1,048,819	716,116

See accompanying notes and independent auditor's report.

Statements of Changes in Stockholders' Equity (Deficit)

	Common Stock		Additional Paid-In	Retained Earnings	Total Stockholder's
	Shares	Amount	Capital	(Deficit)	Equity (Deficit)
Balance at December 31, 2021	108.1	$ -	$ 204,938	$ 262,717	$ 467,655
Net income	-	-	-	716,116	716,116
Issuance of common stock	1.8	-	-	-	-
Distributions to stockholders	-	-	-	(1,600,500)	(1,600,500)
Balance at December 31, 2022	109.9	$ -	$ 204,938	$ (621,667)	$ (416,729)
Net income	-	-	-	1,048,819	1,048,819
Issuance of common stock	1.8	-	-	-	-
Distributions to stockholders	-	-	-	(1,102,000)	(1,102,000)
Balance at December 31, 2023	111.7	$ -	$ 204,938	$ (674,848)	$ (469,910)
Net income	-	-	-	1,620,478	1,620,478
Issuance of common stock	1.9	-	-	-	-
Distributions to stockholders	-	-	-	(1,550,000)	(1,550,000)
Balance at December 31, 2024	**113.6**	**$ -**	**$ 204,938**	**$ (604,370)**	**$ (399,432)**

See accompanying notes and independent auditor's report.

Statements of Cash Flows

For the years ended December 31,	**2024**	2023	2022
Operating Activities			
Net income	**1,620,478**	1,048,819	716,116
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	**123,324**	115,445	104,613
Provision for credit losses	**477**	14,366	-
Loss on lease termination	**-**	3,857	-
Non-cash operating lease costs	**1,432**	(3,110)	-
Changes in operating assets and liabilities:			
Restricted cash	**149,976**	250,877	(427,488)
Accounts receivable	**101,510**	(70,466)	152,617
Unbilled revenue	**(68,262)**	(48,593)	(38,541)
Inventory	**382,661**	286,061	(1,015,977)
Prepaid expense and other current assets	**(13,550)**	126,803	(164,148)
Accounts payable and accrued expenses	**(172,214)**	(113,144)	502,423
App fund payable	**(193,691)**	51,900	115,521
Gift card payable	**271**	24,198	134
Brand fund liability	**(11,803)**	(309,331)	289,861
Refundable franchise fees	**(290,000)**	(354,000)	292,500
Customer deposits	**(199,310)**	(126,255)	603,320
Deferred revenue	**99,599**	226,772	525,343
Net cash provided by operating activities	**1,530,898**	1,124,199	1,656,294
Investing Activities			
Purchases of property and equipment	**(31,282)**	(112,683)	(81,605)
Net cash used by investing activities	**(31,282)**	(112,683)	(81,605)
Financing Activities			
Payments on long-term debt	**(1,458)**	(15,844)	(16,803)
Distributions to stockholders	**(1,550,000)**	(1,102,000)	(1,600,500)
Net cash used by financing activities	**(1,551,458)**	(1,117,844)	(1,617,303)
Net decrease in cash and cash equivalents	**(51,842)**	(106,328)	(42,614)
Cash and cash equivalents, beginning of year	**548,779**	655,107	697,721
Cash and cash equivalents, end of year	**496,937**	548,779	655,107
Supplemental Disclosure of Cash Flow Information			
Interest paid	**$ 7**	$ 269	$ 775

See accompanying notes and independent auditor's report. 10

1. Organization and Operations

Description of Business
Casey Hawkins, Inc. was incorporated in the State of Oregon on February 4, 2002. References in these financial statement footnotes to "Company", "we", "us", and "our" refer to the business of Casey Hawkins, Inc.

The Company sells equipment, espresso, and other coffee products used in the operation of drive-thru retail coffee operations. The Company also offers franchises for the operation of drive-thru retail coffee outlets under its registered trademark "The Human Bean." Due to franchise laws, franchises are offered in most, but not all, states. The Company receives rebates on the sale of coffee and other beverage products, paper products, related supplies from the suppliers to the Human Bean (THB) outlets. The Company also receives advertising incentives from suppliers.

The table below reflects the status and changes in franchised outlets and affiliate owned outlets for the years ended December 31, 2024, 2023 and 2022.

Franchised Outlets

Year	Start of Year	Opened	Closed or Ceased Operations – Other reasons	End of Year
2022	116	20	3	133
2023	133	22	9	146
2024	146	22	1	167

Affiliate Owned Outlets

Year	Start of Year	Opened	Closed or Ceased Operations – Other reasons	End of Year
2022	13	0	1	12
2023	12	0	0	12
2024	12	0	0	12

Going Concern
Management has evaluated our ability to continue as a going concern as of December 31, 2024. Due to the positive income and cash flows from operations for the year ended December 31, 2024, we have concluded that there is not significant doubt about our ability to continue as a going concern.

2. Significant Accounting Policies

Basis of Accounting
The Company uses the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States ("U.S. GAAP"). Under this method, revenue is recognized when earned and expenses are recognized as incurred.

Use of Estimates
The preparation of the financial statements and accompanying notes in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Estimates are used for the following, among others: revenue recognition, allowance for credit losses, useful lives for depreciation of long-lived assets and leases. Actual results could differ from those estimates.

2. Significant Accounting Policies (continued)

Comparative Financial Statements
Certain prior period amounts have been reclassified to conform to current year presentation.

Fair Value
Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company's financial instruments consist primarily of cash and cash equivalents, restricted cash, accounts receivable, accounts payable and accrued expenses. The carrying values of cash and cash equivalents, restricted cash, accounts receivable, accounts payable and accrued expenses are considered to be representative of their respective fair values due to the short-term nature of these instruments. Based on borrowing rates currently available to the Company for loans with similar terms, the carrying value of long-term debt approximates fair value.

Assets and liabilities that are carried at fair value are classified and disclosed in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets and liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data

Non-recurring fair value measurements include the assessment of property and equipment and intangible assets for impairment. As there is no corroborating market activity to support the assumptions used, the Company has designated these estimates as Level 3.

Cash and Cash Equivalents
For purposes of reporting cash flows, all highly liquid investments with a maturity of three months or less are considered cash equivalents.

Restricted Cash
Restricted cash consists of funds related to the Brand Fund and App Fund. Funds collected by the Company for the Brand Fund and for the App Fund are maintained in separate restricted cash accounts to cover the expenditures required to be made under those respective programs and are not available to be used for the normal recurring operations of the Company.

Accounts Receivable
The balance in accounts receivable consists of sales of equipment and products and are stated at the amount the Company expects to collect. The Company maintains allowances for credit losses for estimated losses resulting from the inability of its customers to make required payments. Management considers the following factors when determining the collectability of specific customer accounts: customer credit worthiness, past transaction history with the customer, current economic industry trends, and changes in customer payment terms. Past due balance over 90 days and other higher risk amounts are reviewed individually for collectability. If the financial condition of the Company's customers were to deteriorate, adversely affecting their ability to make payments, additional allowances would be required. Based on management's assessment, the Company provides for estimated uncollectible amounts through a charge to earnings and a credit to an allowance. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance for credit losses.

2. Significant Accounting Policies (continued)

Inventory
Inventory consists of equipment, products and parts, which are valued at the lower cost or market, and are expensed in costs of goods sold using the weighted-average cost method when provided to its franchisees.

Property and Equipment
Property and equipment is stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the following estimated useful lives of the respective asset:

	Estimated Useful Life
Furniture and equipment	5-7 Years
Automobile	5 Years
Leasehold improvements	5-39 Years

Maintenance and repair costs are expensed in the period incurred. Expenditures for purchases and improvements that extend the useful lives of property and equipment are capitalized.

Trademark
The Company's affiliate started using a version of the mark THE HUMAN BEAN in 1998, and the Company applied for registration of that mark in 2001. In November 2002, the Company settled a claim by a Colorado resident alleging trademark infringement and acquired the plaintiff's rights in his federal trademark registration for THE HUMAN BEAN by a payment of $165,000. The value of any rights acquired in the settlement are not being amortized. The Company believes that no material impairment of trademark carrying values exists at December 31, 2024 and 2023, respectively.

Impairment of Long-Lived Assets
The Company assesses potential impairment of its long-lived assets whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors that the Company considers important which could trigger an impairment review include, but are not limited to, significant under-performance relative to historical or projected future operating results, significant changes in the manner of use of the acquired assets or the strategy for the Company's overall business, and significant industry or economic trends. When the Company determines that the carrying value of the long-lived assets may not be recoverable based upon the existence of one or more of the above indicators, the Company determines the recoverability by comparing the carrying amount of the asset to net future undiscounted cash flows that the asset is expected to generate. If the carrying value is not recoverable, an impairment is recognized in the amount by which the carrying amount exceeds the fair value of the asset. During the years ended December 31, 2024, 2023 and 2022, no impairment charges were recognized related to long-lived assets.

Gift Card Liability
The Company sells gift cards to its customers through its corporate office. The Company's gift cards do not have an expiration date and are not redeemable for cash except where required by law. Until redemption, outstanding customer balances are recorded as a liability. An obligation is recorded at the time of sale of the gift card and it is included in gift card payable on the Company's balance sheets. As of December 31, 2024 and 2023, the Company had liabilities of $217,797 and $217,526 in gift card payable, respectively. No gift card breakage has been recognized for the years ended December 31, 2024, 2023 and 2022.

2. Significant Accounting Policies (continued)

Revenue Recognition

Equipment, product, repair and parts, and shipping revenue
The Company sells all coffee and espresso beans, all coffee bean or espresso bean products, all logo cups and lids, and some of the other supplies and equipment required for the operations of the THB outlets to its franchisees. Equipment revenue, product revenue, and related shipping revenue are recognized when the products are shipped. Repair and parts revenue is recognized when the services are completed.

Rebate revenue
The Company receives supplier rebates based on purchases from preferred vendors by its franchisees and records income when such rebates are earned and collection is probable. Rebates totaling $6,579,391, $5,430,313 and $4,909,070 were recognized in rebate revenue for the years ended December 31, 2024, 2023 and 2022, respectively. Rebates earned but not yet billed to suppliers are included in unbilled revenue on the balance sheets.

Franchise fee revenue
The Company recognizes revenue in accordance with Financial Accounting Standards Board ("FASB") ASC 606-10-25, *Revenue from Contracts with Customers*. In January 2021, the FASB issued ASU 2021-02, "Franchisors – Revenue from Contracts with Customers (Subtopic 952-606): Practical Expedient." ASU 2021-02 provides a practical expedient that simplifies the application of ASC 606 about identifying performance obligations and permits franchisors that are not public entities to account for pre-opening services listed within the guidance as distinct from the franchise license. The Company has adopted ASU 2021-02 and implemented the guidance on its revenue recognition policy.

The Company sells individual franchises. The franchise agreements typically require the franchisee to pay an initial fee prior to opening the respective location(s). If the franchise agreement is terminated for the failure to open a drive-thru within eighteen months of signing, the initial franchise fee is refundable with the exception of the $15,000 non-refundable deposit which includes a non-refundable site analysis of $5,000. A franchise agreement establishes a THB outlet developed in one defined geographic area and provides for a ten-year initial term with the option to renew for additional ten-year terms, subject to conditions. With the Company's approval, a franchisee may generally renew the franchise agreement upon its expiration. The franchise agreement is not assignable, but if approved, a franchisee may transfer the franchised business to a new or existing franchisee. A transfer fee of $5,000 is payable by either the current or the new franchisee. The new franchisee signs a new franchise agreement, and the old franchise agreement terminates.

Under the terms of our franchise agreements, the Company typically promises to provide franchise rights, pre-opening services such as assistance with site selections, operational materials, functional training courses, and ongoing services, such as management of the Brand Fund. The Company considers certain pre-opening activities and the franchise rights and related ongoing services to represent two separate performance obligations. The franchise fee revenue has been allocated to the two separate performance obligations using a residual approach. The Company has estimated the value of performance obligations related to certain pre-opening activities deemed to be distinct based on cost plus an applicable margin, and assigned the remaining amount of the initial franchise fee to the franchise rights and ongoing services. Revenue allocated to preopening activities is recognized when (or as) these services are performed, no later than the opening date. Revenue allocated to franchise rights and ongoing services is recognized on a straight-line basis over the contractual term of the franchise agreement as this ensures that revenue recognition aligns with the customer's access to the franchise right. Renewal fees are recognized over the renewal term of the respective franchise from the start of the renewal period. Transfer fees are recognized over the contractual term of the franchise agreement.

2. Significant Accounting Policies (continued)

Revenue Recognition (continued)

Brand fund revenue
The Company started its brand fund in 2021 to promote general brand recognition of the services, and products sold by its franchisees and affiliates. Funds are collected from franchisees and affiliates based on an agreed-upon percentage of their monthly gross revenue and used to pay costs of, or associated with, marketing, advertising, digital marketing, contact tracing, promotions, brand building, commercial business development, retail growth strategies including merchandising, the look and feel of displays, merchandise, public relations and costs to administer the brand fund. Although brand fund revenue is not a separate performance obligation distinct from the underlying franchise right, the Company is primarily responsible for the fulfillment and control of the brand fund services. As a result, the Company records brand fund contributions in revenue and related brand fund expenditures in expenses in the statements of operations. When brand fund revenue exceeds the related brand fund expenses in a reporting period, brand fund expenses are accrued up to the amount of the brand fund revenue recognized. Brand fund revenue is contributed by franchisees and affiliates based on one percent of the THB outlets' gross sales and is recognized as earned.

Other revenue
Other revenue consists of rental revenue and other fee revenue and is recognized when earned.

Advertising and marketing
All costs associated with advertising and marketing are expensed in the period incurred.

Compensated Absences
The Company's personnel policy provides employees with regular leave for any approved personal reasons. Holidays, leaves of absence, jury duty, or military duty is not considered personal leave and is not counted against employees accrued leave. Employees with at least one year of service accrue 80 hours of leave on January 1. Any unused leave of absence as of December 31, is paid to the employees, on their first check in January. As of December 31, 2024 and 2023, the Company accrued an amount of $43,992 and $34,467 for any unused leave of absence, respectively. These amounts are included in accounts payable and accrued expenses on the balance sheets.

Leases
The company accounts for leases under ASC 842. Lease arrangements are determined at the inception of the contract. Operating leases are included in operating lease right-of-use ("ROU") assets, operating lease liabilities and long-term operating lease liabilities on the balance sheet. Operating lease ROU assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. As most leases do not provide an implicit rate, we use an incremental borrowing rate based on the information available at commencement date in determining the present value of future payments. The operating lease ROU assets also includes any lease payments made and excludes lease incentives and initial direct costs incurred. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term.

2. Significant Accounting Policies (continued)

Income Taxes
The Company has elected to be taxed under the provisions of Subchapter S of the Internal Revenue Code. Under those provisions, the Company does not pay Federal corporate income taxes on its taxable income. Instead, the stockholders are taxed on the Company's taxable income. Therefore, no provision or liability for federal income taxes has been included in the financial statements. The Company recognizes income tax related interest and penalties in interest expense and other general and administrative expenses, respectively.

The Company files income tax returns in the U.S. federal jurisdiction and the states in which it operates. The Company is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress. The Company believes it is no longer subject to income tax examinations for years prior to 2021.

In accordance with FASB ASC 740-10, *Income Taxes*, the Company is required to disclose uncertain tax positions. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The Company has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. The Company believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Company's financial condition, results of operations or cash flows. Management's determination of the taxable status of the entity, including its status as an S Corporation, a pass-through entity, is a tax position that is subject to consideration of uncertainty. The Company believes it has complied with all regulations required to maintain its status as an S Corporation and more likely than not, this status would hold up under examination. Accordingly, the Company has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at December 31, 2024 and December 31, 2023.

Recently Adopted Accounting Pronouncements
In March 2023, the FASB issued ASU No. 2023-01, "Leases (Topic 842): Common Control Arrangements", and subsequent amendments to the initial guidance, ASU No. 2016-02. This accounting standard updates response to private company's stakeholders concerns about applying Topic 842 to related party arrangements between entities under common control. ASU No. 2023-01 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2023 with early adoption permitted. The Company adopted this standard as of January 1, 2024, and it did not have a material impact on its financial statements.

Recent Accounting Pronouncements
We reviewed other significant newly-issued accounting pronouncements and concluded that they either are not applicable to our operations or that no material effect is expected on our financial statements as a result of future adoption.

Subsequent Events
In accordance with FASB ASC 855, Subsequent Events, the Company has evaluated subsequent events through March 5, 2025, the date on which these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

3. Certain Significant Risks and Uncertainties

The Company maintains its cash in bank deposit accounts that at times may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant risk on cash or cash equivalents. The Company maintains its deposits in two financial institutions.

4. Revenue and Related Contract Balances

Disaggregation of Revenue
The following table disaggregates revenue by source for the years ended December 31:

	2024	2023	2022
Point in time:			
Equipment revenue	**$ 2,117,188**	$ 2,421,620	$ 1,393,461
Product revenue	**1,285,550**	1,133,242	1,139,956
Repair and parts revenue	**97,661**	117,061	102,092
Shipping revenue	**163,588**	123,700	142,996
Rebate revenue	**6,579,391**	5,430,313	4,909,070
Franchise fee revenue	**319,793**	414,305	129,965
Brand fund revenue	**1,310,177**	1,182,973	1,100,703
Rental revenue	**58,515**	-	-
Other revenue	**1,304**	1,578	3,898
Total point in time	**$ 11,933,167**	$ 10,824,792	$ 8,922,141
Over time:			
Franchise fee revenue	**211,608**	225,423	187,442
Total revenues	**$ 12,144,775**	$ 11,050,215	$ 9,109,583

Contract Assets
Contract assets consist of unbilled revenue. Unbilled revenue consists of rebate revenue and initial franchise fees earned from its customers for which a billing has not occurred.

Contract Liabilities
Contract liabilities consist of deferred revenue resulting from initial franchise fees, renewal fees and transfer fees paid by franchisees, which are recognized on a straight-line basis over the term of the franchise agreements. The Company classifies these contract liabilities as deferred revenue on the balance sheets. The following table reflects the change in contract liabilities for the years ended December 31:

	2024	2023
Deferred revenue – beginning of year	**$ 2,008,217**	$ 1,781,445
Revenue recognized during the year	**(531,401)**	(639,728)
New deferrals and net change in refundable portion	**631,000**	842,750
Deferred revenue – end of year	**$ 2,107,816**	$ 2,008,217

The following table illustrates estimated revenues expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) as of December 31, 2024:

2025	$ 250,886
2026	246,772
2027	244,555
2028	234,388
2029	219,160
Thereafter	912,055
Total	$ 2,107,816

5. Accounts Receivable

Accounts receivable consisted of the following at December 31:

	2024	2023
Accounts receivable	**$ 195,039**	$ 311,392
Less: allowance for credit losses	**-**	(14,366)
Accounts receivable, net	**$ 195,039**	$ 297,026

For the years ended December 31, 2023, 2022 and 2021, the Company recognized $477, $14,366 and $0 credit loss expense related to accounts receivable, respectively.

The allowance for credit losses activity was as follows:

	2024	2023
Balance at beginning of year	**$ 14,366**	$ -
Provision for credit losses	**477**	14,366
Write-offs, net of recoveries	**(14,843)**	-
Balance at end of year	**$ -**	$ 14,366

6. Property and Equipment

The major classes of property and equipment consisted of the following at December 31:

	2024	2023
Furniture and equipment	**$ 543,587**	$ 512,305
Automobile	**50,392**	50,392
Leasehold improvements	**497,650**	497,650
Less: accumulated depreciation	**(581,526)**	(458,202)
Property and equipment, net	**$ 510,103**	$ 602,145

For the years ended December 31, 2024, 2023 and 2022, depreciation expense was $123,324, $115,445 and $104,613, respectively.

7. Leases

The Company determines whether an arrangement is a lease at inception. The Company has elected to apply the short-term lease exception to all leases with a term of one year or less. Leases with an initial term of 12 months or less are not recorded on the balance sheet. Lease expense is recognized for these leases on a straight-line basis over the lease term.

Other than short-term leases, the Company has two operating leases for office and warehouse spaces, one storage space and one aircraft lease. Lease terms may include options to renew when it is reasonably certain that the Company will exercise that option. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

In February 2023, the Company terminated one of its operating leases and entered in a new lease for additional office and warehouse spaces. The Company recognized a loss related to lease termination amounting to $3,857 for the year ended December 31, 2023.

7. Leases (continued)

In accordance with ASU 2021-09, the Company has elected to use to use a risk-free discount rate for the lease instead of its incremental borrowing rate, determined using a period comparable with that of the lease term for its operating leases. As most of the Company's leases do not provide an implicit rate, the Company uses a risk-free discount rate based on the information available on the commencement date in determining the present value of lease payments.

The component of operating lease costs for the years ended December 31, 2024, 2023 and 2022 were as follows:

	2024	2023	2022
Operating lease costs	**$ 363,828**	$ 231,986	$ 221,596
Short-term lease costs	**1,436**	-	-
Operating lease costs, net	**$ 365,264**	$ 231,986	$ 221,596

Supplemental cash flow information related to operating leases for the years ended December 31, 2024, 2023 and 2022:

	2024	2023	2022
Operating cash flow information:			
Cash paid for amounts included in the measurement of lease liabilities	**$ 362,396**	$ 235,096	$ 221,596
Non-cash activity:			
Right-of-use assets obtained in exchange for new operating lease liability	**$ 230,252**	$ 208,072	$ 742,550

The weighted average lease terms and discount rate information related to operating leases were as follows:

	2024	2023
Weighted average remaining lease term of operating leases	**0.78 years**	1.29 years
Weighted average discount rate of operating leases	**3.86%**	2.7%

The future maturities of operating lease liabilities as of December 31, 2024 was as follows:

December 31, 2025	$ 163,032
Less: imputed interest	(2,467)
Total lease liabilities	$ 160,565

8. Long-Term Debt

For the years ended December 31, 2024 and 2023, the long-term debt consisted of the following:

	2024	2023
Note payable #1	$ -	$ 1,458
Less: current portion of long-term debt	-	(1,458)
Long-term debt, net	$ -	$ -

Note Payable #1
In December 2020, the Company entered in to an auto loan agreement with Mercedes-Benz Financial Services in the amount of $50,392 to finance a 2020 Mercedes-Benz Sprinter. This loan is secured by the related transportation equipment, payable in monthly installments of $1,465, including interest at 2.898 percent. This loan matured in December 2023 and was subsequently paid in full in January 2024.

9. Related Party Transactions

The Company conducts business with various entities affiliated by common ownership of the shareholders of the Company. The affiliate entities owned and operated 12, 12, and 12 drive-thru retail coffee outlets under the registered trademark "The Human Bean" in Oregon for the years ended December 31, 2024, 2023 and 2022, respectively. During the years ended December 31, 2024, 2023 and 2022, there were numerous sales to these drive-thrus as part of the ordinary course of business. For the years ended December 31, 2024, 2023 and 2022 the Company recognized $344,857, $340,649 and $330,742, respectively, of revenue from these affiliates. In addition, these entities are not required to pay franchising fees.

As of December 31, 2024, the controlling stockholders of the Company owned 33.3% of Portland Roasting Holdings, LLC which supplied the Human Bean drive-thrus with various coffee products. For the years ended December 31, 2024, 2023 and 2022, the Company recognized $1,571,046, $1,532,172 and $1,465,288 of rebate revenue from Portland Roasting Company, respectively. These rebates are included in rebate revenue in the statements of operations.

10. Commitments and Contingencies

Litigation
No legal actions or claims were pending against the Company that, in the opinion of management, would have a material effect on the financial condition, results of operations or liquidity of the Company.

11. 401(k) Savings Plan

The Company maintains a 401(k) retirement saving plan (the "Plan") for the benefit of eligible employees. Under terms of this plan, eligible employees are able to make contributions of their wages on a tax-deferred basis. Employee contributions are matched by the Company in accordance with the Plan up to a maximum of 3% of employee earnings plus 50% of what is contributed, up to the next 2%. For the years ended December 31, 2024, 2023 and 2022, the Company's employer matching contribution was $100,870, $89,906 and $67,040, respectively.

Supplemental Unaudited Financial Statements

These Supplemental Financial Statements have been prepared without an audit. Prospective franchisees or sellers of franchises should be advised that no independent certified public accountant has audited these figures or expressed an opinion with regard to their content or form.

Casey Hawkins, Inc.

Balance Sheets		
	As of	**12/31/2025**
Assets		
Current assets:		
Cash and cash equivalents		**997,912**
Restricted cash		**535,560**
Accounts receivable, net		**579,092**
Unbilled revenue		**-**
Inventory		**1,029,069**
Prepaid expense and other current assets		**79,241**
Total current assets		**3,220,873**
Property and equipment, net		**466,503**
Operating lease right-of-use assets		**158,386**
Intangible assets, net		**165,000**
Total assets		**4,010,762**
Liabilities and Stockholders' Equity (Deficit)		
Current liabilities:		
Accounts payable and accrued expenses		**342,280**
App fund payable		**404,547**
Gift card payable		**240,229**
Brand fund liability		**166,365**
Refundable franchise fees		**280,000**
Customer deposits		**469,419**
Deferred revenue		**250,886**
Operating lease liability		**160,565**
Current portion of long-term debt		**-**
Total current liabilities		**2,314,291**
Deferred revenue, net of current portion		**1,646,043**
Operating lease liabilities, net of current portion		**(0)**
Long-term debt, net of current portion		**-**
Total liabilities		**3,960,334**
Stockholders' equity (deficit):		
Common stock, no par value, 1,000 shares authorized and 109.9 and 108.1 shares issued and outstanding as of December 31, 2022 and 2021		**1000**
Additional paid-in capital		**203,938**
Retained earnings		**(154,510)**
Total stockholders' equity (deficit)		**49,428**
Total liabilities and stockholders' equity (deficit)		**4,010,762**

Casey Hawkins, Inc.

Statements of Revenue and Expenses

	As of 12/31/2025
Revenues:	
Equipment revenue	1,091,988
Product revenue	1,333,691
Repair and parts revenue	108,801
Shipping revenue	147,612
Rebate revenue	6,404,333
Franchise fee revenue	505,886
Brand fund revenue	1,348,663
Other revenue	8,734
Total revenues	10,949,708
Costs of goods sold:	
Equipment costs	924,422
Product costs	996,603
Repair and parts costs	80,270
Shipping costs	186,029
Other costs	43,925
Total costs of goods sold	2,231,249
Gross profit	8,718,459
General and administrative expenses:	
Depreciation	122,484
Advertising and marketing	311,257
Brand fund expense	1,348,663
Personnel cost	3,914,250
Professional fees	166,296
Operating lease costs	307,996
Repairs and maintenance	109,752
Travel and lodging	276,796
Utilities	35,345
Other general and administrative expenses	575,509
Total general and administrative expenses	7,168,349
Income from operations	1,550,110
Other income (expense):	
Gain/Loss on Lease Transactions	0
Interest expense	0
Total other income (expense)	0
Net income	1,550,110

EXHIBIT H

AREA DEVELOPMENT AGREEMENT

This AREA DEVELOPMENT AGREEMENT (this "Agreement") is made and entered into as of _____ (the "Effective Date") by and between Casey Hawkins, Inc., an Oregon corporation ("THB") and _____ ("Developer").

RECITALS

THB and Developer (or its Affiliate) intend to execute or have executed a Franchise Agreement, pursuant to which Developer will operate its first THB outlet in the Development Area (the "Franchise Agreement"). Developer wishes to operate said outlet and also to develop additional THB outlets in the Development Area, all according to the terms and conditions set forth below.

1. Definitions.

Any capitalized terms used but not defined herein will have the meanings assigned to them in the Franchise Agreement. Unless otherwise stated, a reference to a "Section" is to a section of this Agreement, and a reference to an "Exhibit" or "Schedule" is to an exhibit or schedule to this Agreement. All definitions apply equally to plural and singular defined terms.

2. Area Development Right.

2.1 Grant of Area Development Right. THB grants to Developer the right to develop THB outlets, solely within the Development Area and during the term of this Agreement, both as set forth on Exhibit 2.1. To the extent that the Development Area is defined according to any city, county or political subdivision, the Development Area is fixed as of the Effective Date, and any subsequent change in the boundaries of such city, county or political subdivision will not effect a change in the Development Area.

2.2 Limits on Grant of Area Development Right. The grant of the area development right under Section 2.1 does not include any license to use the Proprietary Marks or the THB System, such license being granted only pursuant to the individual franchise agreements executed for each THB outlet.

2.3 Effect on Franchised Locations. As stated in the Franchise Agreement, during the term of this Agreement, the Area Development Right supersedes the more limited grant of territorial exclusivity associated with each individual franchised location.

2.4 Exclusivity of Area Development Right. During the term of this Agreement, THB will not operate, or grant a license or franchise to a third party to operate, a THB outlet within the Development Area; provided, however, that any THB outlet already in operation within the Development Area on the Effective Date may continue to operate during the term of this Agreement. Nothing in this

Agreement will in any way restrict THB's right to (a) own or operate, or grant a franchise to operate, THB outlets outside the Development Area, (b) advertise products and services using the Proprietary Marks in any medium as part of a national, regional, or local advertising campaign, or (c) to produce, license, distribute or market products using the Proprietary Marks, including without limitation prepackaged food and beverage products, clothing, souvenirs and novelty items, at or through any location or outlet other than a THB outlet (whether or not located within the Development Area), and through any distribution channel, at wholesale or retail, including by means of mail order catalogs, direct mail, Internet marketing and other distribution channels.

3. Development Obligation.

3.1 Development of New THB Outlets. During the term of this Agreement, Developer will acquire the rights to premises for, equip, and open at least the number of THB outlets specified on Exhibit 2.1, within the Development Area. Developer will satisfy the requirements of this Section if premises have been leased or purchased, and a franchise agreement has been signed, for the last THB outlet necessary to meet Developer's obligation, no later than 90 days before the end of the term of this Agreement.

3.2 Force Majeure. If Developer is unable to satisfy the development obligation under Section 3.1 due to strike, riot, civil disorder, war, failure of supply, fire, flood, earthquake, natural catastrophe or other similar events beyond Developer's control, then upon notice to THB, the term of this Agreement will be extended for a corresponding period, not to exceed 180 days.

3.3 No Right to Open Additional Outlets. The Developer may not, without express agreement in writing by THB, open THB outlets in the Development Area in excess of the number specified on Exhibit 2.1.

4. Term and Termination.

4.1 Term. This Agreement will be coterminous with the Development Period, as set forth on Exhibit 2.1.

4.2 Expiration. The term of this Agreement will expire upon the execution of the franchise agreement for the last THB outlet necessary to meet Developer's obligation under Section 3.1, unless THB has agreed in writing to extend the term to permit the development of additional THB outlets in the Development Area pursuant to Section 3.3.

4.3 Default for Insolvency. Subject to Section 4.4.7 below, Developer will be in default upon an Insolvency Event. Each of the following is an "Insolvency Event." Developer becomes insolvent or makes an assignment for the benefit of creditors; if a voluntary petition in bankruptcy is filed by Developer, or if an involuntary petition is filed against and consented to by Developer or is not dismissed within sixty (60) days; if Developer is adjudicated as bankrupt; if a bill in equity or other proceeding for the appointment of a receiver of Developer or other custodian for Developer's business or assets is filed and is consented to by

Developer or is not dismissed within sixty (60) days; if a receiver or other custodian is appointed, or if a proceeding for composition with creditors under any state or federal law is instituted by or against Developer; or if the real or personal property of Developer is sold at levy thereupon by any sheriff, marshal, or constable.

4.4 Termination for Cause. If Developer materially breaches this Agreement by failing to perform, observe, or comply with any of its material duties and obligations under it, Developer will be in default. A material breach includes, but is not limited to, any of the following:

4.4.1 Developer's failure to identify and secure the rights to an acceptable location for the first THB outlet in the Development Area, and execute the Franchise Agreement for said outlet, within ninety (90) days of the Effective Date;

4.4.2 A material breach of any franchise agreement between THB and Developer or its Affiliated franchisee, resulting in for-cause termination of said agreement;

4.4.3 A failure to meet the development obligation set out on Exhibit 2.1;

4.4.4 Any breach of the covenants of noncompetition and nonsolicitation set out in Section 8;

4.4.5 Any unapproved transfer in violation of Section 10.1;

4.4.6 Commission of an act of fraud by Developer with respect to its rights or obligations under this Agreement; and

4.4.7 Any Insolvency Event, subject to the provisions of the U.S. Bankruptcy Code, as further set forth in the Franchise Agreement.

4.5 Material Breach of Other Agreements. If Developer materially breaches any lease, mortgage, equipment agreement, construction contract, promissory note, conditional sales contract, or other contract materially affecting the THB Outlet to which Developer is a party or by which Developer is bound, whether or not THB is a party thereto, including but not limited to any Franchise Agreement, or any other agreement between Developer or its Affiliate and THB, Developer will be in default under this Agreement.

4.6 Franchise Agreements May Survive Expiration. Each of the franchise agreements between the parties is governed by its own provisions as to term, Section 4.4.1 of this Agreement notwithstanding, and the expiration of this Agreement pursuant to Section 4.2 will not terminate the franchise agreements between the parties.

5. Site Selection and Approval Process.

5.1 Site Proposal. Developer will initiate the process for opening a new THB outlet by proposing at least one, but not more than ten, potential sites within the Development Area, using the site analysis form provided by THB. THB will

evaluate the proposed site(s) and determine, in its sole discretion, whether any proposed site(s) is/are acceptable. Developer will not enter into an agreement to lease or purchase a proposed site unless and until the site has been approved pursuant to Section 5.3.

5.2 No Site Analysis Fee. As to sites proposed by Developer, THB will waive the Site Analysis Fee, and THB will not charge a fee to evaluate proposed sites for THB outlets in the Development Area. Developer will not be required to execute a Site Analysis Agreement or pay the Site Analysis Fee. If the location of the first THB Outlet to be opened by Developer has not been determined or approved by THB as of the Effective Date of this Agreement, then the location of the first THB Outlet to be opened in the Development Area is the Premises for purposes of the Franchise Agreement.

5.3 Prompt Decision on Proposed Sites. THB will respond to a site proposal by approving, disapproving, or requesting additional information within thirty days of receipt of the proposal. If THB does not respond to a site proposal within thirty days of its receipt of the proposal or additional information thereto, the proposal is deemed rejected. Approval of a proposed site by THB does not constitute a representation by THB that a THB outlet at the proposed site will be successful or profitable, and Developer will not rely on THB's approval as such a representation.

5.4 Execution of Franchise Agreement. Area Developer will execute the Franchise Agreement for the first THB Outlet to be opened by Area Developer at the same time as Area Developer executes this Agreement. For subsequent Outlets, following approval of a proposed site within the Development Area, Developer will enter into THB's then-current form of franchise agreement for the THB Outlet to be located at that site, provided however that differences between the Franchise Agreement and the then-current form of franchise agreement will be restricted to THB's implementing any reasonable system-wide changes relating to its operations, products or administration, and also limited by THB's obligations of good faith and fair dealing.

5.5 Opening of THB Outlet. Developer must equip and open the new THB outlet on the approved site, or another approved site, within one year of the execution of the franchise agreement for that site.

6. Franchise Fees.

6.1 One Third Due at Signing. A portion of the Franchise Fee ($10,000) is due and payable upon execution of this Agreement for each outlet to be opened in fulfillment of Developer's obligations under Section 3.1, except that the full Franchise Fee ($35,000) is due on the execution of the franchise agreement for the first such THB outlet. The deposit portion of the Franchise Fee ($10,000) down payment on the locations to be developed is deemed fully earned when paid and is non-refundable.

6.2 Two Thirds Due on Execution of Individual Franchise Agreements. The balance of the Franchise Fee ($25,000) for each outlet to be opened in fulfillment of Developer's obligations under Section 3.1 is due and payable in full on execution of the franchise agreement for each such location. THB reserves the right to increase the Franchise Fee for outlets in excess of the number of outlets set forth on Exhibit 2.1, if THB agrees to allow Developer to open such additional outlets.

7. Training and Opening Assistance.

7.1 Training for the First THB Outlet. Training and opening assistance for the first THB outlet to be opened by Developer will be as set forth in the Franchise Agreement.

7.2 Training for Subsequent THB Outlets. For each subsequent THB outlet, THB will, at Area Developer's Option, provide training for a designated store manager, on the terms set forth in the Franchise Agreement, but THB will not be obligated to assist with the opening.

8. Noncompetition.

8.1 Definition of Competition. For purposes of this Section 8, "competition" means (a) diverting business to any competitor of THB, by direct or indirect inducement or otherwise; (b) performing any other act injurious or prejudicial to the goodwill associated with the THB Marks or the THB System; and (c) the operation of, or assisting in the operation of, a drive-through coffee store the same as or similar to a THB Outlet, other than pursuant to a franchise agreement with THB, within a geographical area consisting of (1) during the term of this Agreement, anywhere, and (2) after termination of this Agreement, a ten (10) mile radius from the location of the formerly franchised outlet, and a ten (10) mile radius from the location of any THB espresso outlet then in operation or actively under development by THB or its licensees or franchisees.

8.2 Blue Pencil. If a judicial or quasi-judicial authority called upon to enforce this Section 8 deems any of its provisions to be unenforceable by reason of its scope or extent, the parties intend that such authority should enforce such provision to the maximum extent permitted by applicable law, and that the remainder of this Agreement should be valid and unaffected by the exercise of such authority.

8.3 Noncompete and Non-solicitation Covenants. During the term of this Agreement, and for a period of two (2) years after its expiration or termination, Developer will not (a) Compete with THB, except as authorized in writing by THB, (b) lease or sublease the premises of any THB outlet within the Development Area to any business that Competes with THB, or (c) employ or seek to employ any employee of THB or of any THB franchisee or developer, for a period of at least one (1) year following the non-employment of such employee. The one and two-year terms set forth in this Section 8.3 will be extended by any time consumed in litigation or arbitration required to enforce it, including any appeals. For purposes of this Section 8.3, "Compete" means engage in business selling coffee, espresso drinks or smoothies, in any capacity, including as a franchisee, sole proprietor, partner, limited partner, member, employer, franchisor, stockholder, officer,

director, or employee, except as a shareholder of less than five percent (5%) beneficial interest in the stock of any publicly traded corporation.

8.4 Irreparable Harm. Developer acknowledges that any violation of the terms of this Section 8 could cause irreparable harm to THB, entitling THB to injunctive relief. Developer agrees that the existence of any claims it may have against THB will not constitute a defense to the enforcement by THB of the provisions of this Section 8.

9. Developer's Reporting Requirements

9.1 Routine Reporting & Control Group. If Developer is a legal entity, Developer represents that all of the natural persons in the Control Group have been disclosed to THB as potential guarantors, and will remain for the entire term of this Agreement the only persons entitled to share in any profits from Developer, unless there is an approved Transfer pursuant to Section 10 below or as otherwise expressly permitted by this Agreement. "Control Group" includes: (i) all holders of a legal or beneficial interest of 10% or more ("10+ Owners") in Developer; (ii) if Developer is a limited partnership, all 10+ Owners of Developer's general partner; and (3) all 10+ Owners of any corporation or limited liability company that owns a controlling interest in Developer. Before execution of this Agreement, and as needed throughout its term, Developer will provide to THB copies of documents and information relating to the following, and any proposed changes thereto:

- The members of the Control Group;
- The organizational documents of all legal entities in the Control Group; and
- Developer's loans, to the extent they are collateralized by the construction, building, equipment, or other tangible assets used in the operation or construction of any franchised THB Outlet. Developer will not grant any security interest in a THB outlet or the assets used in its operation without THB's prior written approval, which will not be unreasonably withheld. THB's approval may be conditioned on the written agreement by the secured party that, in the event of a default by you, THB will have the right and option (but not the obligation) to purchase the rights of the secured party on payment of all sums then due. If Developer (or any member of its Control Group) finances any part of the price paid in connection with the Transfer, the provider of the financing must stipulate that all obligations of the proposed Transferee, and any security interests retained in the assets being transferred, will be subordinate to the proposed Transferee's obligations to: (1) pay all amounts due to THB; and (2) otherwise comply with this Agreement and all other agreements with THB.

9.2 Crisis Events. Developer will immediately notify THB of any Crisis Event, and fully cooperate with THB to ensure that all communications to the public, press or media about the Crisis Event (except as directed by governmental agencies of competent jurisdiction) are made through THB in consultation with its advisers. "Crisis Event" means any event that involves Developer, and either (i) involves actual or dangerously heightened risk of harm or injury to customers, guests or employees, or (ii) attracts an unusual degree of attention to the brand or to the franchised business. Examples of Crisis Events include major crimes, fires, and all other such newsworthy events. Developer will immediately contact appropriate emergency care providers to assist it in curing any harm or injury from a Crisis Event. To the extent such action is warranted by the Crisis Event, THB will conduct all communication with the news media. THB may engage the services of third party professionals to address the Crisis Event, and Developer will cooperate fully with THB in this regard.

10. Assignment and Transfer.

10.1 Definition of Transfer. "Transfer" means any act or circumstance by which ownership or control in Developer is shifted in whole or in part from any individual or legal entity to another, including, if Developer is itself a legal entity, any changes to the ownership of the stock or membership units or partnership shares of such entity as of the Effective Date of this Agreement. A Transfer also includes the issuance of additional stock or membership units in Developer or in any member of its Control Group and, if Developer is a de facto partnership or legal entity, any change in or addition of partners, shareholders or members, except as expressly permitted by this Section 10. The Control Group of Developer will at all times own at least 51% of the voting securities, membership interests, operating profits and losses, or other ownership interests (as applicable) in Developer. All members of the Control Group and their spouses (as applicable) will jointly and severally guarantee Developer's payment and performance under this Agreement using the form of Guaranty Agreement attached. THB reserves the right to require any guarantor to provide personal financial statements to THB from time to time. If any 10+ Owner is a legal entity, the Guaranty will be executed by all individuals in that entity's Control Group.

10.2 Buy-Sell Agreement for Corporate Ownership of Developer. If Developer is a legal entity with more than one owner, then upon the dissolution of such entity, or upon any decree of divorce between parties that are also members of its Control Group, ownership of the shares or units affected will be transferred, for agreed-upon consideration, to that shareholder, partner or member having primary responsibility for operations, sales and marketing activities. The form and content of the buy-sell agreement will be submitted to THB for its approval before execution.

10.3 Assignment of Area Development Rights . THB is entering into this Agreement based upon its knowledge of and faith in the ability of Developer. Therefore, this Agreement and all the rights granted by it are not transferable by Developer, except with the prior consent in writing of THB, not to be unreasonably withheld.

10.4 Assignment by THB. This Agreement will inure to the benefit of the successors and assigns of THB. THB may assign its rights and obligations under this Agreement to any person or entity, provided that the assignee agrees in writing to assume, at minimum, all obligations and liabilities of THB to Developer that arise after the closing date of the assignment of this Agreement by THB. Upon such assignment and assumption, THB will be under no further obligation under this Agreement, except for accrued liabilities, if any, not assumed by THB's assignee.

11. General Provisions.

11.1 Communications. Developer will maintain a dedicated telephone number and email address for the administration of its business and communications with THB. Developer will not be required to pay any fee to THB for communicating with THB.

11.2 Indemnity. Developer will indemnify, defend, and hold THB and its officers, directors, agents and employees harmless from and against all third-party suits, proceedings, claims, causes of action, demands, or liabilities of any kind or of any nature arising out of or in connection with Developer's operations or those of its Affiliate franchisees, unless caused by the gross negligence or willful misconduct of THB.

11.3 Independent Contractors. The relationship between THB and Developer is that of independent contractors. Developer is not a partner, joint venturer, agent, or employee of THB. Developer has no authority to bind THB to any contractual obligation or incur any liability for or on behalf of THB. Developer will identify itself as independent in all dealings with customers, lessors, contractors, suppliers, public officials, employees, and others. Developer will place notices of its independent ownership (or that of its Affiliated franchisees) on its forms, stationery, advertising, and other business materials.

11.4 Governing Law & Dispute Resolution. This Agreement will be governed by the substantive law of the State of Oregon without regard to conflicts-of-law rules; provided, however, that the Federal Arbitration Act will govern the provisions respecting arbitration and arbitrability. Any dispute arising out of or relating to this Agreement which cannot be settled by mutual agreement of the parties, other than an application for a temporary restraining order, preliminary injunction or similar emergency injunctive relief to prevent irreparable harm, will be finally and conclusively settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Rules"); provided, however, that: (a) the arbitration will take place in Portland, Oregon; (b) there will be a panel of three (3) arbitrators (collectively, the "Tribunal"), with each party selecting one (1) arbitrator and the third arbitrator to be appointed by the other two arbitrators in accordance with the Rules; (c) the arbitration will be conducted in the English language; (d) the Tribunal will use reasonable efforts to schedule all matters regarding the arbitration so that the arbitration progresses in a timely fashion; (e) subject to legal privileges, each party will be entitled to discovery in accordance with the Federal Rules of Civil Procedure; (f) at the arbitration hearing, each party may make written and oral presentations to the Tribunal,

present testimony and written evidence and examine witnesses; (g) the Tribunal will not have the power to award punitive damages; (h) the Tribunal will issue a written decision explaining the basis for such decision; (i) the Tribunal may not make any award that is inconsistent with any express term of this Agreement and may not use the equitable powers provided by the Rules to modify the express terms of this Agreement in any way; (j) such decision will be final, binding and enforceable in any court of competent jurisdiction; (k) the parties will share equally any fees and expenses of the Tribunal and of the American Arbitration Association, provided that the Tribunal will have the authority to award, as part of the arbitrator's decision, to the prevailing party its costs and expenses of the arbitration proceeding, including reasonable attorneys' and experts' fees; and (l) the parties agree that the arbitration proceedings and any decision and award of the arbitrator will be kept confidential and not be disclosed to third parties, except as necessary to enforce or effectuate the terms of such decision or award. Likewise, to the extent any dispute between the parties is litigated rather than arbitrated, the prevailing party will be entitled to an award of its costs and expenses, including reasonable attorney's and expert's fees, both at trial and on appeal.

11.5 Notices. All notices specified by this Agreement or required by law must be in writing and given by: (i) personal delivery, (ii) certified mail, return receipt requested; (iii) any professional courier service that provides tracking for such shipment; or (iv) electronic mail, unless the sender receives a reply message stating that the original message was not delivered or not deliverable. Notice will be directed to the address(es) set forth at the beginning of this Agreement or to such other address(es) as the parties may designate in writing. Notice will be deemed received when actually left in the custody of an adult agent, employee, or resident at a place of business or residence if given by personal delivery, certified mail or courier, and when sent in the case of deliverable electronic mail. Each party will provide the other with updated contact information whenever changes occur.

11.6 Compliance with the Laws. The parties intend that the terms of this Agreement and their relationship should comply with all applicable laws, ordinances, and regulations. Further, during the term of and with respect to their performance under this Agreement, each party will remain in compliance with all applicable laws, ordinances and regulations.

11.7 Integration and Priority. This Agreement, together with the Franchise Agreement and subsequent franchise agreements, constitutes the entire agreement between the parties as to its subject matter and supersedes all prior communications, representations, and agreements, oral or written, of the parties with respect to its subject matter. No oral or other written understandings or agreements exist between the parties relating to the subject matter of this Agreement. In the event of a conflict between this Agreement and the Franchise Agreement or any other franchise agreement between the parties, the terms of this Agreement will be controlling. Nothing in this Agreement or any related agreement is intended to disclaim representations made in the Franchise Disclosure Document.

11.8 Modification. No modification or extension of this Agreement will be valid unless in writing and signed by both parties.

11.9 Interpretation. The section and paragraph headings of this Agreement are for the convenience of the reader only, and are not intended to act as a limitation of the scope or meaning of the sections and paragraphs themselves. This Agreement will not be construed against the drafting party.

11.10 Approvals. Except when this Agreement expressly obligates THB reasonably to approve or not unreasonably to withhold its approval of any action or request by Developer, THB has the absolute right to refuse any request by Developer or to withhold its approval of any action that requires its approval.

11.11 Severability and Waiver. The invalidity of any term or provision of this Agreement will not affect the validity of any other provision. The parties intend that if any of the terms, conditions, or provisions of this Agreement violates applicable law, such terms, conditions, or provisions will be deemed not a part of this Agreement, and the remainder of this Agreement will remain in full force and effect. Waiver by any party of strict performances of any provision of this Agreement will not be a waiver of or prejudice any party's right to require strict performance of the same provision in the future or of any other provision of this Agreement.

11.12 No Waiver of State Law Claims by Developer. No statement, questionnaire, or acknowledgment signed or agreed to by a developer in connection with the commencement of the area development relationship will have the effect of waiving any claims under any applicable state franchise law, including for fraud in the inducement.

11.13 No Third Party Beneficiaries. Except as set forth in the Guaranty of Area Development Agreement (Exhibit 11.12), this Agreement creates no third party rights or obligations between THB or Developer and any other person. It is understood and agreed that the parties do not intend that any third party should be a beneficiary of this Agreement.

11.14 Counterparts. This Agreement may be executed in multiple counterparts, all of which together will constitute one agreement, even though all parties do not sign the same counterpart.

11.15 Clauses that Survive Termination. The obligations set out in Sections 8.1, 8.3, 8.4, 11.2, 11.4, 11.9, 11.11, and such other provisions as by their nature are intended to survive, will survive termination of this Agreement.

12. Representations & Warranties.

12.1 Execution by Authorized Parties. Each party represents and warrants that the person(s) signing this Agreement have full power and authority to do so and that entering into this Agreement is not a breach of or contrary to any other agreement. Developer represents that all members of its Control Group are signing this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this AREA DEVELOPMENT Agreement to be duly executed as of the Effective Date.

FOR CASEY HAWKINS, INC.

_____ _____

Signature Date

FOR DEVELOPER (All owners should sign, and also print name next to the word Signature)

_____ _____

Signature Date

_____ _____

Signature Date

Exhibit 2.1 to Area Development Agreement

Development Area:	_____
	_____
	_____
Term	_____ years from the Effective Date of this Agreement
Development Obligation	_____ THB outlets by halfway through the term
	_____ THB outlets by the end of the term (total number of required outlets)

Exhibit 11.12
Guaranty of Area Development Agreement

GUARANTY OF AGREEMENT

This Guaranty of Area Development Agreement ("Guaranty") is effective as of the date it is first signed by both parties or on the following date: _____.

Obligated Party (Developer)

Guarantor(s)

Obligee (Franchisor)

Casey Hawkins, Inc. (an Oregon corporation)

623 Rossanley Drive

Medford, OR 97501

The Guaranteed Agreement means that Area Development Agreement, of even date herewith and as it may be amended, between the Obligated Party and the Obligee. The Guarantor is referred to as "you" and like terms.

1. **Guaranty**. For good and valuable consideration, you unconditionally guarantee to THB, and to its successors and assigns, the full, complete, and timely payment and performance of each and all of the terms, covenants, and conditions of the Guaranteed Agreement to be kept and performed during its term by the Obligated Party, including the payment of all royalties, rents, fees, and other charges accruing pursuant to the Guaranteed Agreement.

2. **Insolvency of Obligated Party**. This Guaranty will continue unchanged by the occurrence of any Insolvency Event as defined at Section 14.1 of the Guaranteed Agreement, with respect to the Obligated Party or any assignee or successor of the Obligated Party or by any disaffirmance or abandonment of the Guaranteed Agreement by a trustee in bankruptcy of the Obligated Party. Neither your obligation to make payment or render performance in accordance with the terms of this Guaranty nor any remedy for the enforcement of this Guaranty will be impaired, modified, changed, released, or limited in any manner whatsoever by any impairment, modification, change, release, or limitation of the liability of the Obligated Party or its estate in bankruptcy or of any remedy for the enforcement thereof, resulting from the operation of any

present or future provision of the U.S. Bankruptcy Act or other statute, or from the decision of any court or agency.

3. **Waivers.** Your liability under this Guaranty is primary and independent of the liability of the Obligated Party. You waive any right to require THB to proceed against any other person or to proceed against or exhaust any security held by THB at any time or to pursue any right of action accruing to THB under the Guaranteed Agreement. THB may proceed against you and the Obligated Party jointly and severally or may, at its option, proceed against you without having commenced any action, or having obtained any judgment, against the Obligated Party. You waive the defense of the statute of limitations in any action under this Guaranty or for the collection of any indebtedness or the performance of any obligation guaranteed pursuant to this Guaranty.

4. **Attorney Fees.** In the event of collections action or litigation arising from this Guaranty, the prevailing party will be entitled to its attorneys fees and costs, and related expenses both at trial and on appeal.

5. **Notice.** You waive notice of any demand by THB, any notice of default in the payment of rents or any other amounts contained or reserved in the Guaranteed Agreement, or any other notice of default under the Guaranteed Agreement. You expressly agree that the validity of this Guaranty and your obligations will in no way be terminated, affected, or impaired by reason of any waiver by THB; by its successors or assigns; by the failure of THB to enforce any of the terms, covenants, or conditions of the Guaranteed Agreement or this Guaranty; or by the granting of any indulgence or extension of time to the Obligated Party, all of which may be given or done without notice to you.

6. **Binding on Assigns.** This Guaranty will extend, in full force and effect, to any assignee or successor of THB and will be binding upon you and your successors and assigns.

7. **Subrogation.** Until all obligations of the Obligated Party to THB have been paid or satisfied in full, you have no remedy or right of subrogation and you waive any right to enforce any remedy that THB has or may in the future have against the Obligated Party and any benefit of, and any right to participate in, any security now or in the future held by THB.

8. **Subordination.** All existing and future indebtedness of the Obligated Party to you is hereby subordinated to all indebtedness and other obligations guaranteed in this Guaranty and, without the prior written consent of THB, will not be paid in whole or in part, nor will you accept any payment of or on account of any such indebtedness while this Guaranty is in effect.

9. **Choice of Law.** This Guaranty will be construed in accordance with the laws of the state of Oregon, without giving effect to its conflict-of-laws principles.

In witness whereof, the Guarantor has executed this Guaranty of Area Development Agreement:

_____	_____
Signature	Date
_____	_____
Signature	Date

AREA DEVELOPMENT AGREEMENT
ILLINOIS ADDENDUM

Illinois law governs the Franchise Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

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.

THB will defer the due date for payment of the balance of the Initial Franchise Fee until Franchisee has opened its THB Outlet at the Premises, or the Illinois Attorney General has lifted its deferral requirement, whichever is sooner. The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.

The undersigned acknowledges receipt of this Illinois Addendum to the Area Development Agreement.

FRANCHISOR NAME: CASEY HAWKINS, INC. (The Human Bean)

For Casey Hawkins, Inc.	For Area Developer
_____	_____
_____	_____
Date	Date

AREA DEVELOPMENT AGREEMENT
MARYLAND ADDENDUM

1. Nothing in the Area Development Agreement or any related agreement will be interpreted to require franchisees or developers to waive, release or be estopped from asserting any claims arising under the Maryland Franchise Registration & Disclosure Law.
2. Nothing in the Area Development Agreement or any related agreement will be interpreted to bar franchisees or developers from seeking injunctive relief in Maryland on any claims arising under the Maryland Franchise Registration & Disclosure Law.
3. If a general release is required as a condition of renewal, sale, assignment or transfer, the release will not apply to any claims arising under the Maryland Franchise Registration & Disclosure Law.
4. Any claims arising under the Maryland Franchise Registration & Disclosure Law must be brought within three (3) years after the grant of the franchise.
5. Provisions in the Area Development Agreement and any related agreement permitting the franchisor to terminate upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 USC § 101 et seq.).
6. 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.

The undersigned acknowledges receipt of this Maryland Addendum to the Area Development Agreement.

FRANCHISOR NAME: CASEY HAWKINS, INC. (The Human Bean)

For Casey Hawkins, Inc.	For Area Developer
_____	_____
_____	_____
Date	Date

AREA DEVELOPMENT AGREEMENT
ADDENDUM FOR AREA DEVELOPERS BASED IN THE STATE OF NORTH DAKOTA

CASEY HAWKINS, INC.

Any provision to the contrary in the Area Development Agreement notwithstanding, the following shall apply for all area developers based in the State of North Dakota:

1. Restrictive Covenants. Any restrictive covenants set forth in the Area Development Agreement will be subject to NDCC Section 9-08-06, and will not be enforceable to the extent they may conflict with North Dakota law.

2. Place of Arbitration. The parties will arbitrate disputes as set forth in the Area Development Agreement at a mutually convenient location, not remote from the Area Developer's place of business. .

3. Applicable Law. The Area Development Agreement will be governed by the law of the State of North Dakota.

4. Damages. The Area Development Agreement will not prohibit an award of exemplary or punitive damages to a North Dakota area developer. The Area Development Agreement will not require any payments of liquidated damages.

5. No General Release. The North Dakota area developer will not be required to sign a general release upon renewal of the Area Development Agreement.

FOR CASEY HAWKINS, INC.

_____ _____

Signature Date

FOR AREA DEVELOPER

_____ _____

Signature Date

Washington Addendum to the Area Development Agreement and All Related Agreements

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.
8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

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

16. **Questionnaires and Acknowledgments.** 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.

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or

complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

FRANCHISOR NAME: CASEY HAWKINS, INC.

_____ _____

Signature Date

_____ _____

Signature Date

Exhibit I -- State Effective Dates

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

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

State	Effective Date
California	1 May 2025
Florida	17 December 2025
Indiana	24 February 2025
Illinois	16 April 2025
Kentucky	On File
Maryland	28 April 2025
Michigan	4 December 2025
Minnesota	30 May 2025
New York	6 May 2025
North Dakota	22 February 2025
South Dakota	7 December 2025
Texas	On File
Utah	22 January 2026
Virginia	22 May 2025
Washington	3 December 2025
Wisconsin	20 February 2025

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

EXHIBIT J

Franchisee Locations as of December 31, 2025
**Franchisees under an Area Development Agreement*

*	Entity Name	Outlet Address	City	State	Zip	Contact Info
*	Walters Boys, LLC	1547 N. Dysart Rd	Avondale	AZ	85392	(602) 860-2016
	Havasu Bean III LLC	2646 Highway 95	Bullhead City	AZ	86442	(928) 453-1314
	Havasu Bean III LLC	1191 Highway 95	Bullhead City	AZ	86442	(928) 453-1314
	Beanstream, LLC	E State Route 89A	Cottonwood	AZ	86326	(712) 229-8101
	Havasu Bean III LLC	1490 E Camino Colorado	Fort Mohave	AZ	86426	(928) 453-1314
	Havasu Bean III LLC	3330 E. Andy Devine(Route 66)	Kingman	AZ	86401	(928) 453-1314
	Havasu Bean III LLC	2651 North Stockton Hill Rd.	Kingman	AZ	86402	(928) 453-1314
	Havasu Bean III LLC	633 N. Lake Havasu Ave	Lake Havasu City	AZ	86405	(928) 453-1314
	Havasu Bean III LLC	1736 S. McCulloch Blvd	Lake Havasu City	AZ	86406	(928) 453-1314
	Havasu Bean III LLC	2035 North Palo Verde Blvd	Lake Havasu City	AZ	86404	(928) 453-1314
	The Human Bean of Mesa-1 LLC	29 South Power Rd.	Mesa	AZ	85207	(541) 891-3780
	Havasu Bean III LLC	102 W Riverside Dr.	Parker	AZ	85344	(928) 453-1314
	Walters Boys, LLC	20055 N. 19th Ave.	Phoenix	AZ	85027	(360) 747-9239
	Human Bean Baseline, LLC	4377 East Baseline Rd.	Phoenix	AZ	85042	(541) 301-1350
	Human Bean Baseline, LLC	2010 E Indian School Rd	Phoenix	AZ	85016	(541) 301-1350
	Human Bean 16th St., LLC	6502 N 16th St.	Phoenix	AZ	85016	(541) 301-1350
	Beanstream, LLC	E State Route 69	Prescott Valley	AZ	86314	(712) 229-8101
	H&L Development LLC	1765 East University Dr.	Tempe	AZ	85281	(541) 301-1350
	Moss Lane Ventures, LLC	7835 El Camino Real	Atascadero	CA	93422	(209) 969-6043
	Mendonsa, Inc.	2805 Esplanade Rd.	Chico	CA	95973	(530) 736-5915
	BTO HB, LLC	7611 Sunrise Blvd.	Citrus Heights	CA	95610	(916) 223-1984
	Moss Lane Ventures, LLC	1720 Shaw Ave.	Clovis	CA	93611	(209) 969-6043
	GN Coffee LLC	7051 Garden Grove Blvd.	Garden Grove	CA	92841	(626) 383-9585
	GN Coffee LLC	21991 El Toro Rd. Unit #10	Lake Forest	CA	92630	(626) 383-9585
	Moss Lane Ventures, LLC	839 Morro Bay Blvd.	Morro Bay	CA	93442	(209) 969-6043
	Moss Lane Ventures, LLC	1477 West Olive Ave.	Porterville	CA	93257	(209) 969-6043
	Moss Lane Ventures, LLC	410 West Henderson Ave.	Porterville	CA	93257	(209) 969-6043
	Mendonsa, Inc.	2135 Main St.	Red Bluff	CA	96080	(530) 736-5915
	Rio Vista Ford Inc.	1010 Hwy 12	Rio Vista	CA	94571	(707) 372-2821
	BTO HB, LLC	2401 Coppervale Dr.	Rocklin	CA	95765	(916) 223-1984
	Moss Lane Ventures, LLC	1025 Rossi Rd.	Templeton	CA	93465	(209) 969-6043
	Moss Lane Ventures, LLC	942 S. Mooney Blvd.	Tulare	CA	93274	(209) 969-6043
	Moss Lane Ventures, LLC	1331 West Caldwell Ave.	Visalia	CA	93277	(209) 969-6043

	Moss Lane Ventures, LLC	1109 N. Ben Maddox Way	Visalia	CA	93292	(209) 969-6043
	MJB Bennett Holdings, LLC	3222 F Rd.	Clifton	CO	81520	(801) 259-0387
	CMK Platte, LLC	3327 N. Academy Blvd.	Colorado Springs	CO	80905	(541) 864-0403
	CMK, LLC	2900 E. Platte Ave.	Colorado Springs	CO	80905	(541) 864-0403
*	SS Blue Sky 2.0, LLC	3310 23rd Ave	Evans	CO	80620	(970) 227-3327
*	SS Blue Sky 2.0, LLC	821 N College Ave.	Fort Collins	CO	80524	(970) 227-3327
*	SS Blue Sky 2.0, LLC	1822 S College Ave.	Fort Collins	CO	80524	(970) 227-3327
	MJB Bennett Holdings, LLC	2501 North Ave.	Grand Junction	CO	81501	(801) 259-0387
*	St. Michael Coffee Drive, Thru, LLC	3665 W 10th St.	Greeley	CO	80634	(970) 227-3327
*	SS Blue Sky 2.0, LLC	2610 W 10th St.	Greeley	CO	80634	(970) 227-3327
*	SS Blue Sky 2.0, LLC	6505 W 29th St.	Greeley	CO	80634	(970) 227-3327
*	SS Blue Sky 2.0, LLC	100 S Second St.	La Salle	CO	80645	(970) 227-3327
*	Crossroads Plaza Coffee Drive Thru LLC	6180 E Crossroads Blvd.	Loveland	CO	80538	(970) 227-3327
*	Wellington Coffee Drive-Thru, LLC	8121 6th St.	Wellinton	CO	80549	(970) 227-3327
*	East Windsor Coffee Drive-Thru, LLC	405 E Main St.	Windsor	CO	80550	(970) 227-3327
*	West Windsor Coffee Drive-Thru LLC	1700 Main St.	Windsor	CO	80550	(970) 227-3327
	HB Woodland Park LLC	275 East US Hwy 24	Woodland Park	CO	80863	(719) 330-7200
*	Hot & Cold LLC	271 N Tyndall Pkwy.	Callaway	FL	32404	(850) 372-3627
*	Hot & Cold LLC	4380 Lafayette St.	Marianna	FL	32446	(850) 372-3627
	AMJ Company, LLC	870 McFarland Pkwy.	Alpharetta	GA	30004	(404) 725-1427
	MRJ Coffee Co.	7805 Veterans Pkwy.	Columbus	GA	31909	(541) 890-0668
	AMJ Company, LLC	1609 Buford Hwy.	Cumming	GA	30041	(404) 725-1427
	AMJ Company, LLC	3670 Browns Bridge Rd.	Cumming	GA	30028	(404) 725-1427
	AMJ Company, LLC	320 S. 400 Center Lane	Dawsonville	GA	30028	(404) 725-1427
	Rikesh LLC	735 Battlefield Pkwy.	Fort Oglethorpe	GA	30742	(423) 400-0259
	AMJ Company, LLC	2000 Holcomb Bridge Rd.	Roswell	GA	30076	(404) 725-1427
	AMJ Company, LLC	1085 Peachtree Industrial Blvd.	Suwanee	GA	30024	(404) 725-1427
	Legacy Coffee, LLC	9162 W Emerald St.	Boise	ID	83704	(541) 951-6989
	Legacy Coffee, LLC	2100 S Broadway	Boise	ID	83706	(541) 951-6989
	Legacy Coffee, LLC	12473 W Chinden	Boise	ID	83713	(541) 951-6989
	Legacy Coffee, LLC	4213 W State St.	Boise	ID	83703	(541) 951-6989
	Legacy Coffee, LLC	10771 W Lake Hazel Rd.	Boise	ID	83709	(541) 951-6989
	Legacy Coffee, LLC	305 S 21st Ave.	Caldwell	ID	83605	(541) 951-6989
	Little Creek Coffee, LLC	5209 Yellowstone Ave.	Chubbuck	ID	83202	(208) 240-0749
	Diamondhead LLC	380 East Neider	Coeur D' Alene	ID	83815	(208) 818-0709

	Legacy Coffee, LLC	10015 W State St.	Garden City	ID	83714	(541) 951-6989
	Diamondhead LLC	8712 North Goverment Way	Hayden	ID	83835	(208) 818-0709
	Legacy Coffee, LLC	1635 N Meridian Rd.	Meridian	ID	83642	(541) 951-6989
	Legacy Coffee, LLC	2480 E Gala St.	Meridian	ID	83642	(541) 951-6989
	Legacy Coffee, LLC	3285 W. Nelis Dr.	Meridian	ID	83646	(541) 951-6989
	Legacy Coffee, LLC	2110 Caldwell Blvd.	Nampa	ID	83651	(541) 951-6989
	Diamondhead LLC	7321 Praire Ave.	Post Falls	ID	83854	(208) 818-0709
	Legacy Coffee, LLC	11633 W State St.	Star	ID	83669	(541) 951-6989
	Tone Bean, LLC	161 Addison W. Ave.	Twin Falls	ID	83301	(208) 927-0200
	Platinum Groundz 1, LLC	406 N. Keller	Effingham	IL	62401	(217) 246-7371
	Hoosier Beans, LLC	5405 N Keystone Ave.	Indianapolis	IN	46220	(808) 205-2957
	Hoosier Beans, LLC	10545 Pendleton Pike	Indianapolis	IN	46236	(808) 205-2957
	THB WV LLC	1305 Fairfax Dr.	Ashland	KY	41101	(304) 654-2623
	Coffee Break, LLC	1946 Harrodsburg Rd.	Lexington	KY	40503	(859) 893-5889
	Coffee Break, LLC	2644 Richmond Rd.	Lexington	KY	40509	(859) 893-5889
	855e Fort Smallwood Rd., LLC	8553 Fort Smallwood Rd.	Pasadena	MD	21122	(410) 829-3844
*	Show Me Coffee, LLC	5799 N. Main St.	Joplin	MO	64801	(417) 437-6874
*	Show Me Coffee, LLC	2608 S Main St.	Joplin	MO	64804	(417) 437-6874
	EMJA Coffee Inc.	4414 Commons Dr.	St. Joseph	MO	64503	(816) 390-6899
	P5 Link LLC	417 Washington Ave.	Dumont	NJ	07661	(201) 421-0018
	Jersey P5, LLC	101 Midland Ave.	River Edge	NJ	07661	(201) 421-0018
	Tres Lobos, LLC	1300 Unser Blvd. SW	Albuquerque	NM	87121	(505) 681-7812
	Tres Lobos, LLC	7341 San Antonio NE Dr.	Albuquerque	NM	87109	(505) 681-7812
	Chai Kafe LLC	5259 Northfield Rd.	Bedford Heights	NM	44146	(419) 516-8700
	The James Bean LLC	1770 Main Street NE	Los Lunas	NM	87031	(505) 681-7812
	The James Bean LLC	2680 Main Street NW	Los Lunas	NM	87031	(505) 681-7812
	NV Bean LLC	3300 HWY 50 East	Carson City	NV	89701	(775) 846-8806
	HBC No 2, LLC	71 E Lake Mead	Henderson	NV	89015	(702) 333-3562
	HBC No 3, LLC	5602 W Charleston Blvd.	Las Vegas	NV	89146	(702) 333-3562
	NV Bean LLC	1654 HWY 395	Minden	NV	89423	(755) 846-8806
	HBC Las Vegas No. 1, LLC	5265 Camino Al Norte	North Las Vegas	NV	89031	(702) 333-3562
	Mudd Ventures LLC	8050 S. Virginia	Reno	NV	89511	(541) 944-0444
	Mudd Ventures LLC	3915 South McCarran Blvd.	Reno	NV	89502	(541) 944-0444
	IAG Nevada, LLC Series B	3380 Kietzke Lane	Reno	NV	89502	(541) 944-0444
	IAG Nevada, LLC	400 E. Plumb Lane	Reno	NV	89502	(541) 944-0444
	Mudd Ventures LLC	800 Holman Way	Sparks	NV	89431	(541) 944-0444
	The Palace of Akron, LLC	3479 Center Rd.	Brunswick	OH	44212	(330) 802-1213
	Fix n' Sips Coffee Corp.	2149 Southgate Pkwy.	Cambridge	OH	43725	(740) 359-1616
*	HBOH LLC	4411 Whipple Ave.	Canton	OH	44720	(541) 944-6513

*	HBOH Perry, LLC	4660 Tuscarawas W. St.	Canton	OH	44708	(541) 944-6513
*	HBOH Green, LLC	3532 Massillon Rd.	Green	OH	44685	(541) 944-6513
*	HBOH KENT 59 LLC	1713 E. Main St.	Kent	OH	44240	(541) 944-6513
	CLEHB Mentor LLC	8764 Mentor Ave.	Mentor	OH	44060	(216) 337-8230
*	HBOH LLC	9215 State Route 43	Streetsboro	OH	44241	(541) 944-6513
	Blueberry Junction LLC	952 Hill St.	Albany	OR	97322	(541) 908-5032
	Blueberry Junction LLC	3080 Pacific Blvd. SE	Albany	OR	97321	(541) 908-5032
	Lisa Murray	65 S. 10th St.	Bandon	OR	97411	(541) 404-6122
	NW Coffee Group LLC	14435 SW Tualatin Hwy.	Beaverton	OR	97005	(503) 830-0271
	JCK Coffee Company Inc	1041 9th St. NE	Bend	OR	97701	(541) 915-2482
	NW Coffee Group LLC	9839 SE Elon St.	Clackamas	OR	97015	(503) 830-0271
	Raevin Inc.	62993 Hwy 101	Coos Bay	OR	97420	(541) 404-7113
	JCK Coffee Company Inc	2809 Chad Dr.	Eugene	OR	97408	(541) 915-2482
	JCK Coffee Company Inc	1775 W 7th Ave	Eugene	OR	97402	(541) 915-2482
	JCK Coffee Company Inc	3645 W. 11th Ave.	Eugene	OR	97402	(541) 915-2482
	Raevin Inc.	520 Hwy 101	Florence	OR	97439	(541) 404-7113
	Thomason Bean Co, Inc.	840 NE F St.	Grants Pass	OR	97526	(541) 441-1366
	Thomason Bean Co, Inc.	109 Curtis Rd.	Grants Pass	OR	97527	(541) 441-1366
	Thomason Bean Co, Inc.	700 SE 7th St.	Grants Pass	OR	97526	(541) 441-1366
	Thomason Bean Co, Inc.	1885 6th St.	Grants Pass	OR	97526	(541) 441-1366
	Meant 2B Coffee, LLC	205 S. Hwy 395	Hermiston	OR	97838	(541) 379-6074
	JCK Coffee Company Inc	5007 River Road North	Keizer	OR	97303	(541) 915-2482
	Janterr LLC	2430 Washburn Way	Klamath Falls	OR	97603	(541) 891-3780
	Janterr LLC	4653 S 6th St.	Klamath Falls	OR	97603	(541) 891-3780
	Blueberry Junction LLC	1581 South Main St.	Lebanon	OR	97355	(541) 908-5032
	Riptide Coffee Company	3565 NW Highway 101	Linclon City	OR	97367	(503) 941-7105
	The 4M Group LLC	40 NE Plum St.	Madras	OR	97741	(541) 556-6501
	Riptide Coffee Company	601 North Coast Hwy.	Newport	OR	97365	(503) 941-7105
	Raevin Inc.	1509 Virginia Ave.	North Bend	OR	97459	(541) 404-7113
	Blueberry Junction LLC	1914 Main St.	Philomath	OR	97370	(541) 908-5032
	NW Coffee Group LLC	4835 NE Sandy Blvd.	Portland	OR	97213	(503) 830-0271
	Booher Bean Inc.	2288 NW Stewart Pkwy.	Roseburg	OR	97471	(541) 673-5040
	Booher Bean Inc.	1230 W Harvard Ave.	Roseburg	OR	97471	(541) 672-4559
	JCK Coffee Company Inc	4651 Commercial St.	Salem	OR	97302	(541) 915-2482
	JCK Coffee Company Inc	1375 Main St.	Springfield	OR	97477	(541) 915-2482
	JCK Coffee Company Inc	400 Q St.	Springfield	OR	97477	(541) 915-2482
	THB Warrenton Inc.	1526 SE Discovery North	Warrenton	OR	97146	(541) 282-4940
	GK West Corporation	2100 Leigh Way	White City	OR	97503	(541) 941-9733
	NW Coffee Group LLC	25250 SW 95th Ave.	Wilsonville	OR	97070	(503) 830-0271

Dakota Bean LLC	2801 Jackson St.	Sioux Falls	SD	57108	(270) 839-0367
Arnold Investment Co. Inc.	450 Oil Well Rd.	Jackson	TN	38305	(731) 420-1212
THB of South Texas, LLC	447 E Alton Gloor Blvd.	Brownsville	TX	78526	(956) 592-2393
Williams Coffee Company LLC	2661 Midway Road Ste 300	Carrollton	TX	75006	(972) 373-4431
Speedy Blue Chocolate with Red Curls	3117 Williams Dr.	Georgetown	TX	78628	(408) 717-3127
Kewl Beans 2	1001 W Round Grove Rd.	Lewisville	TX	75067	(832) 691-4321
Bee Knee Investments, LLC	7019 82nd St.	Lubbuck	TX	79424	(806) 441-8738
ARO Coffee, LLC	1124 E. Nolana Ave.	McAllen	TX	78504	(956) 243-7262
JA MO Kar, LLC	2007 North Big Spring St.	Midland	TX	79707	(541) 601-2347
Double A Bean LLC	5310 Sienna Pkwy.	Missouri City	TX	77459	(432) 853-0232
432 ONE, LLC	4950 East University Blvd.	Odessa	TX	79762	(541) 601-2347
432 ONE, LLC	2425 N. FM 1936	Odessa	TX	79762	(541) 601-2347
I Bean Drinking LLC	105 Rex Kerwin Court, Bldg. 1	Pflugerville	TX	78660	(408) 717-3127
Bexar Coffee SATX, LLC	7224 FM 78	San Antonio	TX	78244	(956) 592-7504
Bexar Coffee SATX ll, LLC	1800 Pat Booker Rd.	Universal City	TX	78148	(956) 592-7504
Muggle Bean Inc.	W 13400 South	Riverton	UT	84096	(801) 860-5569
J&P Coffee Stone Ridge LLC	24665 Gateway Village PL.	Chantilly	VA	20152	(703) 609-2865
J&P LLC	22074 Railcar Dr.	Sterling	VA	20164	(703) 609-2865
Jaime's Java LLC	4305 W. Clearwater Ave.	Kennewick	WA	99336	(916) 208-0636
JBJ Coffee Co. Inc.	W. 2503 Northwest Blvd.	Spokane	WA	99205	(509) 710-9532
NW Coffee Group LLC	15630 NE Fourth Plain Blvd.	Vancouver	WA	98682	(503) 830-0271
NW Coffee Group LLC	16205 NE 23rd St.	Vancouver	WA	98684	(503) 830-0271
NW Coffee Group LLC	2423 NE 134th St.	Vancouver	WA	98686	(503) 830-0271
Jaime's Java LLC	1195 East Whitman Dr.	Walla Walla	WA	99324	(916) 208-0636
Golden Springs Coffee, LLC	35 S Mission St	Wenachee	WA	98801	(206) 406-6546
AskKris Corporation	5634 US RT 60	Huntington	WV	25705	(304) 654-2623
THB WV LLC	27 Valley Pointe Dr.	Hurricane	WV	25504	(304) 654-2623
Roast 1, Inc.	2211 E. Lincolnway	Cheyenne	WY	82001	(307) 640-1767
Roast ll Inc.	5215 Yellowstone Rd.	Cheyenne	WY	82009	(307) 640-1767
Purple Hippo, LLC	2700 E Grand Ave.	Laramie	WY	82070	(307) 761-2254

Franchisee Locations opened after December 31, 2025
As of February 12, 2026

*	Entity Name	Outlet Address	City	State	Zip	Contact Info
	Grounded Investments	234 E State Rd. 434	Winter Springs	FL	32708	(985) 518-2111
	Purple Hippo ll LLC	415 S. Johnson St.	Laramie	WY	82070	(307) 761-2254

Franchisees with Signed Agreements, Not Yet Open for Business
As of February 12, 2026

Entity Name	City	State	Email
Kelly's Perfect Blend LLC	Litchfield	AZ	THB.Phx@gmail.com
Vaxman Magic Inc.	Hemet	CA	roman@vaxmanmagic.com
Verve Beverage and More LLC	La Mesa	CA	anthony@vervebev.com
Vaxman Magic Inc.	Lake Elsinore	CA	roman@vaxmanmagic.com
Vaxman Magic Inc.	Menifee	CA	roman@vaxmanmagic.com
Buck-B-Bean LLC	Denver	CO	info@buck-n-bean.com
Spilled Life LLC	Lebanon	IL	sastew33@gmail.com
Uma 22 Inc.	Mokena	IL	anand60502@gmail.com
JBC Java LLC	Wendell	NC	bronwynhensley@gmail.com
Anjaniya Kafe LLC	North Royalton	OH	ashadya@gmail.com
CLEHB PARMA LLC.	Parma	OH	thelandhb@gmail.com
Findlay Family Brews	Murfreesboro	TN	thbscott73@gmail.com
Ehrlich Ventures LLC	Cedar Park	TX	neilehrlich@gmail.com
Tabasco Café LLC	Odessa	TX	hbwtx1@gmail.com

EXHIBIT K
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 Casey Hawkins, Inc. offers you a franchise, we must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, us or an Affiliate in connection with the proposed franchise sale. New York requires you to receive this Franchise Disclosure Document at the earlier of the first personal meeting 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 Casey Hawkins, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency as listed on Exhibit F.

FTC Issuance Date: March 5, 2025 as amended February 18, 2026.

Tom Casey, Dan Hawkins, Scott Anderson, Angela Beeks, Justin Hawkins, Janie Page and Christine Dalrymple (the people listed in Item 2) are the only people authorized to offer or sell this franchise. Each of them can be reached at:

Casey Hawkins, Inc.
623 Rossanley Drive
Medford, OR 97501
Telephone: (888) 262-2215
Email: applications@thehumanbean.com

Casey Hawkins, Inc. authorizes the respective state agencies identified on Exhibit F to receive service of process for us in the particular state. You acknowledge receiving a Franchise Disclosure Document including the following Exhibits:

A. State-Specific Riders to the Franchise Disclosure Document; B. Franchise Agreement, Ancillary Agreements and State-Specific Addenda; C. Site Analysis Agreement; D. Operations Manual Table of Contents; E. Agents for Service of Process; F. List of State Administrators; G. Financial Statements; H. Area Development Agreement; I. State Effective Dates; J. Lists of Franchisees (Current & Signed, Not Yet Open); & K. Receipts.

Signer's Name: _____ Date: _____

Signature: _____ Signer's Title: _____

RECEIPT (RETURN THIS COPY TO US)

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 Casey Hawkins, Inc. offers you a franchise, we must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, us or an Affiliate in connection with the proposed franchise sale. New York requires you to receive this Franchise Disclosure Document at the earlier of the first personal meeting 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 Casey Hawkins, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency as listed on Exhibit F.

FTC Issuance Date: March 5, 2025 as amended February 18, 2026.

Tom Casey, Dan Hawkins, Scott Anderson, Angela Beeks, Justin Hawkins, Janie Page and Christine Dalrymple (the people listed in Item 2) are the only THB employees authorized to offer or sell this franchise. Each of them can be reached at:

Casey Hawkins, Inc.
623 Rossanley Drive
Medford, OR 97501
Telephone: (888) 262-2215
Email: applications@thehumanbean.com

Casey Hawkins, Inc. authorizes the respective state agencies identified on Exhibit F to receive service of process for us in the particular state. You acknowledge receiving a Franchise Disclosure Document including the following Exhibits:

A. State-Specific Riders to the Franchise Disclosure Document; B. Franchise Agreement, Ancillary Agreements and State-Specific Addenda; C. Site Analysis Agreement; D. Operations Manual Table of Contents; E. Agents for Service of Process; F. List of State Administrators; G. Financial Statements; H. Area Development Agreement; I. State Effective Dates; J. Lists of Franchisees (Current & Signed, Not Yet Open); & K. Receipts.

Signer's Name: _____ Date: _____

Signature: _____ Signer's Title: _____