

## FRANCHISE DISCLOSURE DOCUMENT



**BAMBU FRANCHISING LLC**  
(a Colorado limited liability company)  
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Bambu Franchising LLC, a Colorado limited liability company, is offering franchises for the operation of Bambū shoppes featuring freshly made Vietnamese dessert drinks (Chè), Vietnamese style coffee drinks (Cà Phê), Vietnamese style blended yogurts (Yonami), Asian-inspired teas (including Taiwanese bubble tea), and real fruit smoothies (Sinh Tố), with freshly made tapioca boba, house-prepared proprietary ingredients, and a wide-variety of drink toppings, along with mochi waffles and other complementary snack, food and dessert items.

The total investment necessary to begin operation of a Bambū franchised business is \$159,000 to \$328,000. This includes \$49,000 that must be paid to the franchisor or affiliates. The franchisor may offer to qualified candidates the right to develop multiple Bambū shoppes under the terms of a Multi-Unit Development Agreement. The total investment necessary to begin operation of each Bambū franchised business opened pursuant to a Multi-Unit Development Agreement is \$149,000 to \$318,000. This includes \$39,000 that must be paid to the franchisor or affiliates, \$19,000 of which is paid at the time of the signing of the Multi-Unit Development Agreement.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Scott Bachman or Marc Geman at 6000 East Evans Ave., Bldg. 2, Suite 210, Denver, Colorado 80222, or (612) 205-5327 (Scott); (303) 810-1212 (Marc).

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

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

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

**ISSUANCE DATE: March 27, 2024**

**FOR USE IN: CA, HI, IL, IN, MI, MN, NY, ND, RI, VA, and WI**

## 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:

<b>QUESTION</b>	<b>WHERE TO FIND INFORMATION</b>
<b>How much can I earn?</b>	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits H and I.
<b>How much will I need to invest?</b>	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.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	Item 21 or Exhibit J includes financial statements. Review these statements carefully.
<b>Is the franchise system stable, growing, or shrinking?</b>	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
<b>Will my business be the only Bambū business in my area?</b>	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What's it like to be a Bambū franchisee?</b>	Item 20 or Exhibits H and I lists current and former franchisees. You can contact them to ask about their experiences.
<b>What else should I know?</b>	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

## What You Need To Know About Franchising *Generally*

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

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

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

**Operating restrictions.** The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

**Competition from franchisor.** Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

**Renewal.** Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

**When your franchise ends.** The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

### Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit K.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

## Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement and multi-unit development agreement require you to resolve disputes with the franchisor by arbitration and/or litigation only in Colorado. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with the franchisor in Colorado than in your own state.
2. **Mandatory Minimum Payments.** You must make minimum royalty fee and marketing and technology fee payments, regardless of sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
3. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

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

## INFORMATION FOR PROSPECTIVE FRANCHISEES IN 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.**

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

- (A) A prohibition on the right of a franchisee to join an association of franchisees.
- (B) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (C) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provisions of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (D) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration, of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than five 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 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. (The above language has been included in this Disclosure Document as a condition for registration. We and you do not agree that the parties are restricted from choosing to conduct arbitration outside of Michigan and believe that each of the provisions of the Franchise Agreement, including each of the arbitration provisions, is fully enforceable. We and you intend to rely on the federal pre-emption under the Federal Arbitration Act.)
- (G) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
  - (i) The failure of the proposed franchisee to meet the franchisor's then current reasonable qualifications or standards.

- (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
- (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
- (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

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

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

**The fact that there is a notice of this offering on file with the Attorney General does not constitute approval, recommendation, or endorsement by the Attorney General.**

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, the franchisor shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee or subfranchisor until the obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

Any questions regarding the notice should be directed to:

State of Michigan  
Department of Attorney General  
Franchise Section - Consumer Protection Division  
G. Mennen Williams Building, 1<sup>st</sup> Floor  
525 W. Ottawa Street  
Lansing, Michigan 48933  
Telephone Number: (517) 373-7117

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## **EXHIBITS**

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## ITEM 1

### **THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES**

#### **The Franchisor**

The name of the franchisor is Bambu Franchising LLC. Bambu Franchising LLC will be referred to as “we,” “us,” “our” or “**Bambu**” in this Disclosure Document. We will refer to the person who buys the franchise as “you” or “your” throughout this Disclosure Document. If the franchisee is a corporation, partnership or limited liability company, certain provisions of the Franchise Agreement and Multi-Unit Development Agreement will also apply to the owners and will be noted.

We were formed on December 29, 2014, as a Colorado limited liability company. Our principal address is 6000 East Evans Ave., Bldg. 2, Suite 210, Denver, Colorado 80222. We currently do business under our limited liability company name and the trade name “Bambu” and no other names. Our agents for service of process are listed on Exhibit K.

#### **Parents, Predecessors and Affiliates**

In 2009, the Nguyen family founded Bambu Desserts & Drinks, Inc. (“**BDDI**”), a California corporation, and in 2012, the Nguyen family founded Bambu IP, LLC (“**BIP**”), a California limited liability company. BDDI operated a predecessor version of a Bambū shoppe being offered under this Disclosure Document since 2009, offering products and services similar to those being offered under this Disclosure Document, and BIP held their intellectual property, until we acquired the Bambū system. The Nguyen family also formed Bambu Desserts & Drinks Franchise, Inc. (“**BDDF**”), a California corporation that offered franchises of their business concept from June 2014 until the date we acquired the system. We acquired the assets of BDDI, BIP and BDDF on May 1, 2015. BDDI, BIP and BDDF are all predecessors of ours. All three of our predecessors ceased operations following the acquisition of their assets by us. None of our predecessors offered franchises in any other line of business.

We do not have a parent company. As of the date of this Disclosure Document, we do not have affiliates that offer franchises in any line of business or provide products or services to our franchisees. Two members of the Nguyen family, who were the owners of our predecessors, operate Bambū shoppes under Franchise Agreements with us.

#### **The Franchise**

We currently franchise the operation of fast casual Vietnamese style beverage shoppes (“**Bambū shoppes**” or “**shoppes**”) which sell authentic Vietnamese dessert drinks (Chè), Vietnamese style coffee drinks (Cà Phê), teas (including Taiwanese bubble tea), and real fruit smoothies (Sinh Tố), with freshly made tapioca boba, house-prepared proprietary ingredients, and a wide-variety of drink toppings, along with complementary snack, food, and dessert items. Bambū shoppes typically provide seating and serve as a meeting place for business, families, and friends.

A Franchise Agreement (“**Franchise Agreement**”) which is attached as Exhibit A to this Disclosure Document, is signed for each Bambū shoppe. Bambū shoppes operate using our distinctive recipes and ingredients, business format, systems, methods, procedures, workout designs, layouts, advertising and operational standards and specifications (“**Bambū system**”). We franchise the operation of Bambū shoppes under our service mark “BAMBŪ®” and related logos, trademarks, service marks and commercial symbols (“**Marks**”). As a franchisee, you will receive the right to use our Marks and Bambū system to operate your shoppe at a location you select, and we approve (“**Franchised Location**”).

Bambū shoppes are usually located in leased space in shopping malls, strip malls, standalone facilities, or alternative venues with our approval. Bambū shoppes are typically between 1,000 and 1,500 square feet. Shoppes have standardized menus, featuring our drinks, many of which are made with fresh ingredients prepared daily. The drinks are all prepared using our proprietary recipes, methods and procedures. The drinks are ordered and picked up by guests at the counter for in-store consumption or take-out, or delivered through various third-party app services. Shoppes also offer catering programs.

If you qualify, we may grant you the right to enter into a Multi-Unit Development Agreement (“**MUD Agreement**”) to develop an agreed upon number of Bambū shoppes within a specific geographic territory according to a development schedule (“**Development Schedule**”). The form of MUD Agreement you will sign is attached as Exhibit B to this Disclosure Document. Your obligation to develop and operate franchises may be satisfied by you or by an entity owned by you or your owners (“**Approved Affiliate**”). For each Bambū shoppe developed under the MUD Agreement, you will sign a separate franchise agreement, which may be different than the form of Franchise Agreement attached to this Disclosure Document.

### **Regulations**

The food and drink service industry is highly regulated. You must investigate and comply with all local, state and federal health and sanitation laws and safety standards relating to food handling, packaging, preparation, and sale. You will need to understand and comply with those laws in operating your Bambū franchise. You should also familiarize yourself with other federal, state or local laws of a more general nature which affect the operation of your Bambū shoppe. In addition, franchisees must comply with all other laws which affect the operation of a Bambū shoppe, including employment, worker’s compensation, business entities, insurance, corporate, taxing, licensing, zoning, and similar laws and regulations. You should consult with an attorney regarding state and local laws, rules, and regulations that may affect the operation of your Bambū shoppe at your particular shoppe location.

### **Market and Competition**

The market for Bambū shoppes is the general public, including people of all ages. The volume of Bambū drink sales may be seasonal depending on your location. The market for coffee, tea and smoothie shops and, in particular, Asian-inspired drinks, is rapidly growing and becoming increasingly competitive. Asian-inspired drink and bubble/milk tea shops are becoming a recognized, established and popular market segment. You will encounter competition from other drink and bakery shops, coffee and tea shops, smoothie and yogurt shops and other beverage-based shops that sell specialized hot and cold drinks. You may experience competition from other Bambū shoppes within the same market area as your shoppe. Some of your competitors may be in close proximity to your shoppe and may have greater financial resources, larger advertising budgets and varying degrees of international, national, regional or local recognition. This business can be highly competitive as to price, service and quality based on your shoppe location. Your ability to compete in this market will be largely dependent on your capabilities, general economic conditions, geographic area, and use of financial, marketing, and management procedures that are consistent among all Bambū system franchises. Changes in taste and eating habits of the public, local, regional and national economic conditions affecting spending habits, population, and traffic patterns affect the Bambū shoppe business and are generally unpredictable.

### **Our Prior Business Experience**

As of the date of this Disclosure Document, we do not operate shoppes of the type to be operated by you. Our COO, Scott Bachman, is an owner in the companies that operates Bambū shoppes in Grand Prairie, Texas, Kansas City, Kansas and Madison, Wisconsin. Certain of our principals have experience in operating

franchises generally and together they have over 70 years of experience in managing and operating franchise food outlets, including restaurants similar to Bambū shoppes.

We have offered franchises for Bambū shoppes since 2015. Neither we nor our affiliates have offered franchises in any other lines of business.

## **ITEM 2**

### **BUSINESS EXPERIENCE**

#### **Chief Executive Officer and Manager: Marc Geman**

Mr. Geman has been our Chief Executive Officer since our formation on December 29, 2014. Since April 2010, Mr. Geman has been an independent self-employed business consultant and attorney based in Denver, Colorado. Since November 2022, he has owned BambuAV Ltd., which operates an Institutional Facility Bambū shoppe as a concessionaire business in the major sports arena in Denver, Colorado.

#### **Chief Operating Officer, Chief Marketing Officer and Manager: Scott Bachman**

Mr. Bachman has served as our Chief Operating Officer and Chief Marketing Officer since our formation on December 29, 2014. He also owns and oversees the operations of Chelatte Dallas LLC, which operates Bambū shoppes in Grand Prairie, Texas (“Bambu Grand Prairie”) and Madison, Heights, Wisconsin, and Chelatte KC LLC, which operates a Bambū shoppe in Kansas City, Kansas.

#### **Vice President of Franchise Services: Willy M. Mathew**

Mr. Mathew has been our Director of Franchise Services, and now Vice President of Franchise Services, since June 2019. From November 2016 through December 2023, he owned and operated Dickey’s Barbeque restaurants in Chicago, Illinois and Milwaukee, Wisconsin.

#### **Director of Operations: Grant Bachman**

Mr. Bachman has been our Director of Operations since November 2022. From October 2021 to November 2022, he was General Manager of Bambu Grand Prairie. From January 2020 to September 2021, he was Senior Manager at P.F. Chang’s China Bistro in Sunnyvale, California. Prior to that, from July 2015 to June 2020, he was a Multi-Store Manager for Chipotle Mexican Grill in San Jose, California.

#### **Director of Training: Tien Nguyen**

Mr. Nguyen serves as our Director of Training. He has worked for us in various aspects since September 2019. From August 2020 to June 2021, he was employed as a salesman at Napoleon Autowerks in Loves Park, Illinois.

#### **Director of Communications: Thu Anh Hoang**

Ms. Hoang has been our Director of Communications since August 2019. From September 2018 to October 2023, she also served as the Operations Manager for Drinks of Denver LLC, which operated a Bambū shoppe in the Denver, Colorado. Previously, from September 2018 to May 2019, she was crew member for students at Colorado State University in Fort Collins, Colorado.

### **Director of Franchisee Relations: Minh Thu Nguyen**

Ms. Nguyen has been our Director of Operations, and now Director of Franchisee Relations, since April 2022. Since March 2015 she has also served as an Assistant Manager and a Bobarista of Bambu Grand Prairie. From 2018 to 2020, Ms. Nguyen also worked as a sales associate for H&M Hennes & Mauritz LP in Arlington, Texas.

### **Creative Director: Huy Duc Nguyen**

Mr. Nguyen has been our Creative Director since October 2022. From May 2022 to September 2022, he was employed as a graphic designer with Brighter Image Lab, located in Fort Worth, Texas. From September 2018 to May 2022, he was employed with N Beach Liquor located in Grand Prairie, Texas, ultimately becoming a manager of one of its stores.

## **ITEM 3**

### **LITIGATION**

#### **Proceedings Involving Us**

*Sweet Delights by cLc, LLC, d/b/a BAMBU Mays Landing v. Bambu Franchising, LLC and Sadia & Nadia, LLC d/b/a BAMBU Atlantic City*, Case No. ATL-C-34-22, in the Superior Court of New Jersey, Chancery Division – General Equity for the County of Atlanta, State of New Jersey. On June 8, 2022, the Plaintiff, a franchisee of ours, filed its Verified Complaint against us and Sadia & Nadia, LLC d/b/a BAMBU Atlantic City, another franchisee of ours (the “**Defendant Franchisee**”). Plaintiff alleges we granted it an exclusive territory that included all of Atlantic County, New Jersey, including Atlantic City. We subsequently granted a franchise to the Defendant Franchisee for a location in Atlantic City. The Plaintiff alleges breach of contract, breach of the covenant of good faith and fair dealing, and fraud. Plaintiff is seeking an unspecified amount in damages, an unspecified amount in punitive damages, interest, and its cost of suit. We have filed an answer denying all of the claims and counterclaims asserting that the franchise agreement was terminated because the franchisee closed down one of its shoppes without our consent. We are seeking a declaratory judgment that the franchise agreement was properly terminated and the post-termination covenants are operative. The parties have recently completed the discovery phase and are currently waiting for a trial date.

#### **Proceedings Against Only Our Predecessors**

1. *Commonwealth of Virginia, ex rel., State Corporation Commission v. Bambu IP, LLC, Bambu Desserts & Drinks, Inc. and Kimhong Thi Nguyen (also known as Kelly Nguyen)*, Case no. SEC-2015-00028. In 2015, the Virginia State Corporation Commission opened an investigation into a complaint against our predecessors BIP and BDDI, and a principal of the predecessors, made by a licensee in Virginia who purchased a license from the predecessors in 2013. Without admitting or denying the Commission’s allegations, the predecessors signed a Settlement Order with the Commission effective August 11, 2016, concluding the Commission’s investigation into whether a violation of Section 13.1-560 and Section 13.1-563(4) of the Virginia Retail Franchising Act had occurred. Under the Settlement Order, we paid on behalf of the predecessors \$80,000 in restitution to the Virginia licensee and \$4,500 to the Commission for penalties and investigation costs. A Final Order was entered on October 25, 2016, dismissing the case. Our predecessors have reimbursed us for one-half of these amounts.

2. *Administrative Proceeding Before the Securities Commissioner of Maryland In the Matter of: Bambu Desserts and Drinks, Inc.*, Case no. 2015-0307. In 2015, the Securities Division of the Office of the

Attorney General of Maryland (“Division”) opened an investigation into the sale of an option by BDDI, our predecessor, to the same Virginia licensee described in paragraph 1 above for a location that may have been in Maryland. Without admitting or denying the Division’s allegations, the predecessor signed a Consent Order with the Division effective August 15, 2016. Under the Consent Order, we paid on behalf of the predecessor \$5,000 in restitution to the Virginia licensee. The \$5,000 was included in the amount paid under the Virginia Settlement Order described in paragraph 1 above. Our predecessors have reimbursed us for one-half of these amounts.

Other than these actions, no litigation is required to be disclosed in this Item.

#### **ITEM 4**

#### **BANKRUPTCY**

Our Director of Franchise Services, Willy Mathew, filed a bankruptcy petition jointly with his wife under the reorganization provisions of Chapter 13 of the U.S. Bankruptcy Code on January 30, 2015. *In re Wily M. Mathew and Caren N. Musembi*, No. 15-03080 (Northern District of Illinois). On June 7, 2019, the debtors were dismissed from the case for failure to make plan payments and the bankruptcy case was dismissed on August 8, 2019. Mr. Mathew’s current business address is the same as ours.

Other than this action, no bankruptcy information is required to be disclosed in this Item.

#### **ITEM 5**

#### **INITIAL FEES**

##### **Franchise Agreement**

The initial franchise fee (“**Initial Franchise Fee**”) is \$39,000. The Initial Franchise Fee is due in two installments: (1) a non-refundable payment of \$27,000 when you sign the Franchise Agreement for your Bambū shoppe; and (2) a non-refundable payment of \$12,000 payable at the earlier of the first submitted letter of intent for the lease for your potential Bambū shoppe location or the lease is signed, but no later than 90 days from the date you sign the Franchise Agreement. We may reduce or waive the Initial Franchise Fee for franchisees in non-traditional locations in our discretion. We will discount your initial fee for a second or subsequent shoppe if you qualify to open more than one shoppe at a time pursuant to a MUD Agreement as described below.

##### **Training Fee**

In addition to the Initial Franchise Fee, you will pay an opening training fee (“**Training Fee**”) of \$10,000, which will be due once your Bambū shoppe passes its health inspection and your training is scheduled.

##### **Multi-Unit Development Agreement**

If you enter into a MUD Agreement, you will sign that agreement together with the Franchise Agreement for your first Bambū shoppe. You will pay the Initial Franchise Fee for the first Bambū shoppe in accordance with the terms of the Franchise Agreement, as described above, and under the MUD Agreement, you will also pay a development fee equal to \$19,000 times the number of additional shoppes to be developed under the MUD Agreement (the “**Development Fee**”).

The Initial Franchise Fee for the second and each subsequent Bambū shoppe to be opened under the MUD Agreement will be \$29,000. The \$19,000 portion of the Development Fee paid for each of the second and subsequent Bambū shoppes to be developed under the MUD Agreement is credited toward the Initial Franchise Fee to be paid for that additional shoppe. The balance of the Initial Franchise Fee (\$10,000) is due upon execution of the Franchise Agreement for that shoppe, but no later than the deadline set forth in the MUD Agreement for signing the Franchise Agreement related to that shoppe. The Training Fee noted above will be due once your Bambū shoppe passes its health inspection and your training is scheduled.

The Initial Franchise Fee, Training Fee, Development Fee and other expenses set forth in this Item 5, once paid, are nonrefundable. Except as may be described in this Item 5, all franchisees currently acquiring a franchise pay the same franchise fees.

**ITEM 6**

**OTHER FEES**

<b>Column 1 Type of Fee<sup>1</sup></b>	<b>Column 2 Amount</b>	<b>Column 3 Due Date</b>	<b>Column 4 Remarks</b>
Royalty Fee <sup>1, 2, 5</sup>	The greater of 3.5% of Net Revenues or \$850 per month	The Royalty Fee is payable on or after the 5 <sup>th</sup> day of each month starting with the first full month after you open your Bambū shoppe	The Royalty Fee is payable by electronic transfer of funds from your bank account. On or after the 1 <sup>st</sup> of each month, we will withdraw the minimum Royalty Fee for the prior month. On or after the 3 <sup>rd</sup> day of each month, we will compute your Royalty Fee base on your POS System sales records for the prior month's sales. We will notify you of the Royalty Fee due prior to withdrawal, which will occur on or about the 5 <sup>th</sup> day of the month.
Marketing and Technology Fee <sup>1, 2</sup>	\$550 per month, and subject to increase annually thereafter	Payable on the first day of each month with the Royalty Fee	The Marketing and Technology Fee is payable by electronic transfer of funds from your bank account.
Inventory Purchases <sup>3, 4</sup>	Then current published prices of our approved distributors and product suppliers	As incurred	You must purchase certain inventory from our designated or approved supplier.

<b>Column 1 Type of Fee<sup>1</sup></b>	<b>Column 2 Amount</b>	<b>Column 3 Due Date</b>	<b>Column 4 Remarks</b>
Interest and Late Charges <sup>2</sup>	Lesser of 1.5% per month or highest rate of interest allowed by law, plus a \$50 late charge	Late fee automatically assessed; interest on demand	Begins to accrue the day after payments or reports are due.
Transfer Fee <sup>2</sup>	\$15,000. If you transfer rights under a MUD Agreement, you also pay a \$7,500 transfer fee for each undeveloped franchise right	Before effectiveness of transfer	Payable when the Franchise Agreement, MUD Agreement, interest in the shoppe, or the franchise is transferred by you. The transferee is charged no Initial Franchise Fee. We will provide training for two representatives of a transferee under the Franchise Agreement at no further charge.
Successor Franchise Fee <sup>2</sup>	\$15,000	When you sign the then current Franchise Agreement	Payable if you opt for and qualify for a successor franchise at the end of the initial term. Additional training may be required.
Additional Training <sup>2</sup>	Then current published rates which are currently \$900 per day plus travel related expenses	Before the scheduled additional training.	Payable only if you request additional persons attend the Training Program (described in Item 11) or hire a new Bambū Certified Team Leader (as defined in Item 11). Additional training is mandatory for a new Bambū Certified Team Leader.

<b>Column 1 Type of Fee<sup>1</sup></b>	<b>Column 2 Amount</b>	<b>Column 3 Due Date</b>	<b>Column 4 Remarks</b>
Food Safety Certification <sup>4</sup>	Will vary based on state regulations as designated by the provider you select and method of training	As incurred	Your Bambū Certified Team Leaders must obtain a food safety certification through ServSafe® or another food safety certification program approved by your local Health Department. See Item 11.
Other at Shoppe Location Trainings and Certifications <sup>2</sup>	Current published rates which are: \$900 per day plus travel related expenses	As incurred	Payable only if you request or we require additional training specific to you.
Costs and Attorneys' Fees <sup>2</sup>	Will vary depending on nature of your default or the claim brought	As incurred	Payable if we are successful in a legal action.
Indemnification Under Franchise Agreement <sup>2</sup>	Will vary depending on nature of the claim against us	As incurred	You have to reimburse us if we are held liable for claims resulting from your Bambū shoppe operations.
Insurance Premiums <sup>2</sup>	Will vary depending on your location, policy limits, and insurer	As incurred	If you do not pay your premiums, although we do not have to, we can pay them for you and you must reimburse us.
Cost of Product Testing and Supplier Approval <sup>2</sup>	Hourly rate of \$150 per person plus the cost of supplies and equipment.	As incurred	You must reimburse us for all reasonable costs we incur in investigating and determining whether any previously unapproved products, programs, or suppliers you desire to use meet our standards and specifications.



Column 1 Type of Fee <sup>1</sup>	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Relocation Fee <sup>2</sup>	\$15,000	When we approve the new location lease	Payable only if you move your current location during the term of the Franchise Agreement. The fee includes similar new Bambū shoppe operations support, including two site visits and three days of additional training support as determined by us.
New Equipment, Upgrading, and Remodeling Expenses <sup>3</sup>	Will vary depending on the items that are upgraded or remodeled.	As required by us	Payable if we require new equipment, upgrades, or remodeling of the premises, the furnishings or the equipment used in the shoppe.

<sup>1</sup> The fees in Item 6 apply to all franchises, including those developed under a MUD Agreement.

<sup>2</sup> Fees and charges imposed by and payable to us. All of these fees and charges are nonrefundable. All fees and charges are payable by ACH transfer. Except as described in this Item, all fees and charges are uniformly imposed on franchisees currently acquiring a franchise. We reserve the right to modify these fees and charges including to resolve disputes, to address current business and economic conditions and under other circumstances.

<sup>3</sup> You must purchase certain products from approved suppliers. We may require you to purchase certain equipment that we have tested and approved, and their use mandated throughout the system.

<sup>4</sup> Fees or costs that are not paid to us and may or may not be refundable by the third parties to which they are paid.

<sup>5</sup> The term “**Net Revenues**” shall mean the total gross revenue derived by you from the operation of your Bambū shoppe, whether from sales for cash or credit, and irrespective of the collection thereof, including sales of both merchandise and services, but exclusive of all sales taxes, use taxes, gross receipts taxes, and other similar taxes added to the sales price and collected from the customer, and less any bona fide refunds, rebates, and discounts.

**ITEM 7**

**ESTIMATED INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT**

**A. Franchise Agreement**

<b>Column 1</b>	<b>Column 2</b>		<b>Column 3</b>	<b>Column 4</b>	<b>Column 5</b>
<b>Type of Expenditure*</b>	<b>Amount (Low)</b>	<b>Amount (High)</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment Is To Be Made</b>
Initial Franchise Fee (See Note 1)	\$39,000	\$39,000	Payable in two installments	First installment of \$27,000 due when you sign the Franchise Agreement and second installment of \$12,000 due when we receive the first signed letter of intent for the lease for your potential Bambū shoppe location, but no later than 90 days from the date you sign the Franchise Agreement	Us
Training Fee (See Note 1)	\$10,000	\$10,000	As incurred	When training is scheduled	Us
Leasehold Improvements (See Note 2)	\$35,000	\$145,000	As incurred	Before Opening	Other Suppliers
Final Architectural Drawings, Permits, and Approvals (See Note 3)	\$4,000	\$10,000	As incurred	Before Opening	Other Suppliers
IT and POS Systems (See Note 4)	\$2,500	\$2,500	As incurred	Before Opening	Other Suppliers
Equipment, Fixtures and Furniture (See Note 5)	\$28,000	\$70,000	As incurred	Before Opening	Other Suppliers
Signage and Menu Board (See Note 6)	\$5,000	\$8,000	As incurred	Before Opening	Other Suppliers
Opening Inventory and Supplies (See Note 7)	\$7,000	\$9,500	Lump Sum when ordered	Before Opening	Other Suppliers

Column 1	Column 2		Column 3	Column 4	Column 5
Security Deposits, Utility Deposits, Business Licenses, Insurance and Professional Fees (See Note 8)	\$6,500	\$12,000	As incurred	Before Opening	Other Suppliers
Opening Training Expenses (See Note 9)	\$2,000	\$2,000	As incurred	Before Opening	Other Suppliers
Initial Marketing Campaign (See Note 10)	\$5,000	\$5,000	As incurred	Around Opening	Other Suppliers
Additional Funds - 3 Months (See Note 11)	\$15,000	\$15,000	As incurred	As incurred	Other Suppliers
<b>TOTAL ESTIMATED INITIAL INVESTMENT</b> (See Note 12)	<b>\$159,000</b>	<b>\$328,000</b>			

\* None of the fees or costs estimated in the chart above are refundable, except that deposits paid to third parties may be refundable.

### **Explanatory Notes**

**Note 1: Initial Franchise Fee and Training Fee.** See Item 5.

**Note 2: Leasehold Improvements.** Your cost to build-out a location for a Bambū shoppe will vary greatly. The square footage of the location, the as-is condition, tenant improvement allowances from the landlord, and the type and availability of utilities and services are typically the largest monetary items affecting your shoppe buildout. A second-generation restaurant or QSR location with an existing kitchen and plumbing will significantly reduce these costs depending on final layout. Bambū shoppes are divided into two distinct areas, the kitchen area and the front of the house, also called the customer service and seating area. The kitchen area, bathrooms and the storage and maintenance area, which in total typically requires approximately 400-500 sq. ft. of space, is the most expensive to build out. The front of the house can be almost any size but having 500-600 sq. ft. for seating and front counter is typically sufficient. In the situation where there is an existing kitchen there is usually no tenant improvement allowance from the landlord. In space that is commonly called Vanilla Shell or Gray Shell, the cost of to build out the space is much greater because the space is basically four walls with utilities stubbed in. However, landlords often will provide a tenant improvement allowance or rent abatement as part of the lease to cover some or all of the cost of build-out.

The costs shown in the chart are estimated costs to build out space in an in-line leased location of approximately 1,100 sq. ft. The lower estimate in the chart assumes you have obtained built-to-suit lease space, or it is “move-in-ready” space. But each situation is unique and needs to be reviewed and negotiated with the landlord. The most important factors, however, are finding the best locations and then what type of spaces are available once those locations are identified.

**Note 3: Final Architectural Drawings, Permits, and Approvals.** You must prepare all final architectural drawings required by the jurisdiction where your shoppe is located and have signed approval by us based on our standards and specifications. This includes a full set of plans for permitting and approvals, which must be approved by us, the governmental authority that issues the permits and approvals for your

jurisdiction, and most likely your landlord. You will select the architectural firm to prepare your architectural drawings design, who must be approved by us. We will not withhold our approval of your architectural firm provided it can demonstrate it has sufficient expertise in commercial retail design work to ensure that the plans, approvals and permits are obtained, and overview of the project is accomplished. Once we approve the final plans, they cannot be changed without our prior written approval.

**Note 4: IT and POS Systems.** This item includes the estimated costs to purchase or license the required electronic point-of-sale (“POS”) system and software, including printers, a smartphone or other similar device with email capability, a minimum 1 GB of combined data plan with a reputable high speed wireless carrier and in-shoppe customer accessible wireless Internet service. The current POS System includes a proprietary customer loyalty rewards program. See Item 11. All of these costs are paid to third party suppliers.

**Note 5: Equipment, Fixtures and Furniture.** This item includes the estimated costs to obtain the required furniture, finishes, counter, decor and kitchen equipment for a shoppe, including: 200-250 cu. ft. of refrigeration and freezer storage, a 650 lb. capacity ice machine(s), cooking equipment, exhaust hood (if required), grease interceptor, worktables, sinks, shelving and smallwares. This estimate does not include state or local taxes. The lower range in the chart assumes that you are equipping the shoppe with used and/or leased equipment.

**Note 6: Signage and Menu Board.** Chart A provides the estimated costs to obtain signs and a digital menu board for a shoppe, including custom signs, interior and exterior signs and shoppe displays.

**Note 7: Opening Inventory and Supplies.** You must open with and maintain an adequate inventory of ingredients, coffee, teas, powders, and syrups, as well as shoppe supplies and Bambu branded products and merchandise for retail sale to your customers.

**Note 8: Security Deposits, Utility Deposits, Business Licenses, Insurance, and Professional Fees.** Security deposits, if applicable to your shoppe, range from zero to three months’ rent. Utility deposits range from a nominal amount to approximately \$2,000, and business licenses range from approximately \$100 to \$1,000, depending on your location. You may also incur fees for professional services such as legal or accounting service in establishing your shoppe.

**Note 9: Opening Training Expenses.** We provide two days of offsite training at a designated operating Bambū shoppe and conduct the remaining part of your opening training at your Franchised Location. You must have hired your employees prior to the onsite training being conducted, including your Shift Leaders or supervisors for your shoppe. This estimate also includes the estimated expenses for you and any designated Bambū Certified Team Leaders registered with us to obtain a required food management certification administered by various third parties. See Items 6 and 11.

**Note 10: Initial Marketing Campaign.** You must set up all shoppe social media accounts we recommend, including utilizing a standardized third-party social media management technology, and spend a minimum of \$4,000 for an initial opening marketing program for your shoppe, to take place on the dates we designate after your shoppe opens. You must use media and materials we approve. You may be required to use an approved marketing firm for your grand opening marketing program.

**Note 11: Additional Funds.** This is an estimate of your pre-operational expenses, which we have not listed above, as well as additional funds necessary for the first three months of your shoppe operations. These figures are estimates and we cannot guarantee that you will not have additional expenses starting the shoppe. Your costs depend on factors such as: how much you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market for our

products and programs; the prevailing wage rate; competition; and the sales level reached during this initial period. This item includes a variety of expenses and working capital items during your start-up phase such as: legal and accounting fees; additional rent expenses; insurance premiums; the first three month's payment of the Royalty Fee and Marketing and Technology Fee, which each begin the first full month following the month the shoppe opens; additional advertising and promotional expenses and materials; utility charges; and other miscellaneous costs. This item does not include your salary or living expenses.

**Note 12: Basis For Estimates; Financing.** We relied on our principals' combined over 70 years of experience in the food franchising business when preparing these figures. Because the ranges in the chart are only estimates, we believe it is possible to either fall below or to exceed the estimated range of costs listed in each item of the chart. The low amount of the Total Estimated Initial Investment is based on retro-fitting an existing QSR location to a Bambū shoppe location and the high amount of Total Estimated Initial Investment is for a full build-out of an 1,100 sq. ft. location with a modest tenant improvement allowance. In certain major metropolitan areas, actual costs may exceed the high range estimates in the chart. You should review these figures carefully with a business advisor before making any decision to purchase a franchise. We do not offer financing either directly or indirectly for any part of the initial investment. The availability and terms of financing from independent third parties depends on factors such as the availability of financing generally, your creditworthiness, other security and collateral you may have and policies of lenders.

**B. Multi-Unit Development Agreement**

**YOUR ESTIMATED INITIAL INVESTMENT  
FOR EACH FRANCHISE OPENED UNDER  
THE MULTI-UNIT DEVELOPMENT AGREEMENT**

Column 1	Column 2		Column 3	Column 4	Column 5
Type of Expenditure	Amount (Low)	Amount (High)	Method of Payment	When Due	To Whom Payment Is To Be Made
Development Fee (See Notes 1 and 2)	\$19,000	\$19,000	As incurred	Upon execution of the MUD Agreement	Us
Additional Amount Due for Initial Franchise Fee (See Notes 1 and 2)	\$10,000	\$10,000	As Incurred	Upon execution of the Franchise Agreement	Us
Estimated Initial Investment Expenses Noted in Chart A Minus the Initial Franchise Fee noted in Chart A	\$120,000	\$289,000	See Chart A	See Chart A	Various – See Chart A
<b>TOTAL ESTIMATED INITIAL INVESTMENT</b> (See Notes 3 and 4)	\$149,000	\$318,000			

## Explanatory Notes

1. This chart shows the estimated initial investment for the right to develop each additional Bambū shoppe associated with a MUD Agreement. Typically, a franchisee will commit to develop one or two additional shoppes, in addition to their initial Bambū shoppe, but you may acquire the right to open more than two additional Bambū shoppes under the MUD Agreement.

2. The Initial Franchise Fee for each Bambū shoppe to be opened under the MUD Agreement is \$29,000. At the time you sign the MUD Agreement, you will pay a Development Fee of \$19,000 times the number of additional Bambū shoppes to be developed and opened under the MUD Agreement after your first Bambū shoppe. We will apply \$19,000 of the total amount of the Development Fee to the Initial Franchise Fee for each additional shoppe you open. The remainder of the Initial Franchise Fee due for the second and subsequent Bambū shoppe is due upon execution of the Franchise Agreement for that shoppe, but no later than the deadline set forth in the MUD Agreement for signing the Franchise Agreement related to that shoppe.

3. We provide training for each Bambū shoppe you open, and you will pay the Training Fee of \$10,000 shown in Chart A for each additional shoppe you open under the MUD Agreement.

4. The estimates given in this chart are based on our estimates for a Bambū shoppe as of the date of this Disclosure Document. However, typically the opening of each additional Bambū shoppe opened under a MUD Agreement will occur between six and 12 months after the opening of the most recently opened prior shoppe. The initial investment for each Bambū shoppe to be developed under the MUD Agreement will vary based on the costs of the various expenditures noted in Chart A at the time you develop and open each additional shoppe and are subject to change based on developments in the franchise system, the industry, and the economy as a whole. None of the fees or costs estimated in the chart above are refundable, except that deposits to third parties may be refundable.

## ITEM 8

### **RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

#### Operations

You must establish, maintain and operate your Bambū shoppe in compliance with your Franchise Agreement. You must comply with the mandatory standards and specifications contained in our confidential Owners' Operations Manual, which is available through our Franchisee Resource Center ("FRC"). After you sign the Franchise Agreement, you will be given login credentials and access to the FRC at [www.bambufrc.com](http://www.bambufrc.com). In addition to our Owners' Operations Manual, the FRC contains Training Materials, our FRC Blog, FRC Forum, notices, marketing materials, art work, health compliance plan and information, and ordering platform, as well as other manuals, technical and news bulletins, and other written or electronic materials for operating a Bambū shoppe (collectively, "**FRC Materials**"). We may modify the FRC Materials in our discretion. We may also provide recommendations and suggestions in the FRC Materials that are not mandatory. We provide you with our mandatory and suggested standards and specifications for the menu items and retail products and related programs offered at or through your Bambū shoppe. Mandatory items include menu items and nutritional information, finishes, counter, POS/merchant service system, loyalty rewards program equipment, logoed paper products, uniforms, insurance, advertising materials, equipment, and certain supplies. Suggested items include some equipment, fixtures, certain paper products, inventory policies, certain supplies, forms, and other items used at your shoppe. We must also approve your final plan, signage, and interior design. The FRC Materials are designed to protect our reputation and the goodwill of the Marks, they are not designed to control the day-to-day operations of your

Bambū shoppe. You must comply with these standards and specifications, including the terms of any mandatory product recall promptly upon receipt of notice from us of such recall.

One of our primary methods of communication with our franchisees is by small message service via email, text messages, or other electronic methods (“SMS”). Any standards and specifications communicated by SMS are deemed part of the FRC Materials, and you are required to comply with them.

### **Shoppe Lease and Build-Out**

We will assist you with negotiations of the LOI for the lease for your Franchised Location and in the lease negotiations and review. Our assistance involves suggestions and recommendations concerning the terms and conditions of the LOI and the lease provisions. It ultimately is your responsibility, however, to negotiate and accept the final terms of these documents. We will review and provide our suggestions to any lease or sublease (“Lease”) for the Franchised Location of your shoppe before you sign the Lease. In particular, the Lease must include a use clause acceptable to us and signage criteria that provides for adequate branding of the Bambū name. Our involvement in the negotiation and approval of the lease for the Franchised Location does not constitute a recommendation, endorsement or guarantee by us of the suitability or profitability of the location or the lease, and you will need to take any additional steps necessary to ascertain whether such location and lease are acceptable to you, which may include engaging your own legal counsel. A copy of any signed Lease must be delivered to us within 15 days after you sign it.

Once a lease is signed, you will need to obtain permits and begin construction of the shoppe in order to avoid paying rent before your Bambū shoppe is open for business. This will require, in most instances, retaining an architect and general contractor at or before the lease is signed.

We will assist you in development of a required kitchen workflow design, and required equipment specifications, and may recommend certain finishes, materials, furniture, counter and décor for you to use in designing the layout for the Franchised Location. We will provide you a rough shoppe workflow layout and equipment schedule after you have entered into the letter of intent (“LOI”) for your Franchised Location at or about the time you sign the lease, provided that you have entered into the Franchise Agreement prior to signing the lease and we are provided with sufficient information about the space to assist with creating a layout of the space. You must consult with us, and we must approve your shoppe layout, equipment layout, mechanical drawings, and construction documents, which cannot be changed without our prior written approval. You must, at your expense, construct, convert, design, decorate and furnish the Franchised Location in accordance with the final plans and specifications we have approved. You are required to prepare final architectural drawings for our approval based on our standards and specifications. We must approve the drawings prepared by your selected architect submitting to us the final drawings of the layout and proposed improvements to the Franchised Location for our review and approval before those materials are submitted for permitting and construction begins. The approval by us of drawings, layout, or other construction documents related to the Franchised Location does not constitute a recommendation, endorsement or guarantee by us of the suitability or profitability of the location, layout, or design of your Franchise Location. You cannot change the plans once we approve them, without our prior written approval.

If you have already signed a lease or sublease, you have already purchased a location for your shoppe, or you are upfitting or adding a Bambū shoppe to a current restaurant location when you sign the Franchise Agreement, our execution of the Franchise Agreement does not imply that we approve of any particular location.

## **POS System, Merchant Service, Software and Other Technology**

You are required to purchase a point-of-sale system, including hardware to service our loyalty rewards program, that meets our specifications. The point-of-sale system that we currently require is the SumUp bundled system (defined in Item 11 as the “**POS System**”). It contains the required supporting hardware and software applications, which has the capability of facilitating our system-wide customer loyalty rewards program and has built in merchant software for both shoppe and hands-free online ordering credit card processing and customer tipping. You will pay the provider of the POS System monthly fees for maintenance and updates. Currently, we derive no revenue from your purchase of the POS System, although we reserve the right to derive revenue from your purchase and license of the POS System or any proprietary software, if and when we develop our own proprietary system or software and license them to you. See Items 7 and 11. We may require you to use a new or different point-of-sale system in the future, in which case you must convert your POS System to the new system. You must own a smartphone or other mobile device with access to the Internet enabling you to communicate via SMS. Additionally, we require that you login to, regularly access, and fully participate in our FRC, which includes communicating with other franchisees and with us. We may also require you to purchase additional hardware equipment, software and possible subscriptions to online applications meeting our minimum specifications in the future at your expense. Your participation and your communications on our FRC are governed by the standards, specifications and guidelines we establish from time to time. See Items 7 and 11.

You will also be provided with a social media platform called Rallio for posting to Instagram and Facebook as well as for connections to Yelp and Goggle Bambu pages. You will be able to use Rallio to respond to comments on Yelp and Goggle and to provide information on views of social media postings. The fee for Rallio is paid through the Marketing and Technology Fee. At your election and for an additional fee that you will pay directly to Rallio, you can use Rallio for other social media marketing.

## **Purchases From Designated or Approved Sources**

In order to maintain the quality and uniformity of Bambū shoppe products and certain of the programs you offer, you must purchase all products including raw and prepared ingredients, food items, shoppe supplies, and programs offered, used, sold or leased through your Bambū shoppe or otherwise required for the operation of your Bambū shoppe from suppliers or distributors designated or approved by us. We reserve the right to designate a single approved supplier or distributor, including us or our affiliates, for any of these items or other items. In particular, we currently have designated suppliers and distributors for our proprietary jellies, powders, syrups, coffee, tea, designated food and beverage products, and other proprietary food items as well as logoed cups and other branded material that we may develop from time to time (“**Proprietary Items**”). The designated supplier or distributor may vary depending on the location of your business. Currently, neither we nor any of our affiliates are a designated single approved supplier of any items offered, used, sold or leased by our franchisees, although we facilitate the ordering and payment with one of our designated suppliers. Further, no officer of ours owns any interest in any of our approved or designated suppliers or distributors. We reserve the right to change any designated supplier or change, reduce or add to the list of items subject to designated supplier arrangements. You must execute any agreement as may be reasonably required by a designated supplier or distributor and establish the appropriate credit terms with it.

On or before commencement of the onsite portion of the Training Program, we will make available to you a list of our approved suppliers, the standards and specifications for items to be used, sold or leased by you through your Bambū shoppe. The list of approved suppliers that will apply for your Bambū shoppe will vary depending on your Franchised Location within our national distribution network.



We derive revenue from our sales of Proprietary Items to our franchisees. In the fiscal year ended December 31, 2023, we derived revenue of \$1,365,849 or approximately 47.7 percent of our total revenues of \$2,863,555, from franchisee purchases. See our financial statements in Item 21. In the fiscal year ended December 31, 2023, our affiliates did not derive revenues from sales of products or services to our franchisees, but we may have affiliates who do so in the future. We did not derive any revenue from the lease of any products or services to our franchisees in the fiscal year ended December 31, 2023, but we reserve the right to do so in the future.

We estimate that the costs of your purchases from designated or approved sources, or according to our standards and specifications, may range from 3 percent to 10 percent of the total cost of establishing a Bambū shoppe and approximately 15 percent to 25 percent of the total cost of operating a Bambū shoppe after that time.

If you want to purchase or use any inventory, products, equipment, supplies, materials, services or programs we have not approved, or purchase or lease these items from a supplier who we have not approved, you must notify us in writing and obtain our approval in advance. The notification should include sufficient specifications, photographs, drawings and other information and samples to determine whether those items or those suppliers meet our specifications. You must pay us a fee of \$150 per hour per person in our testing and investigation, and reimburse us for the actual cost of any testing and the reasonable cost of investigation, to determine whether those items or suppliers meet our specifications. We will notify you of our decision within 30 days of receipt of your written request. We may reject a proposed supplier on any basis in our discretion, including for purposes of protecting our trade secrets from third parties or on the basis of the terms offered to us or our franchisees from the proposed supplier compared to any current designated or approved supplier. We do not have written criteria for supplier approval, and therefore such criteria are not provided to our franchisees. If we establish written criteria, we reserve the right to change any criteria regarding any approved supplier or any inventory, equipment, supplies, or services used, offered for sale or leased by franchisees and you must comply with such changes within 10 days following written notice from us.

We do not provide material benefits, such as renewal or granting additional franchises to franchisees based on your use of designated or approved sources or suppliers.

Other than the requirements above, franchisees are not currently obligated to purchase or lease any goods, services, supplies, fixtures, equipment, inventory or real estate from us or any other specifically designated source.

### **Customer Loyalty Rewards Program**

Except as prohibited or limited by law, you must, at your sole cost, fully participate in our customer loyalty rewards program, and all promotional campaigns, prize contests, social media programs, special offers, discount programs, and other programs, whether international, national, regional, or local in nature, which we prescribe. In addition, at your sole cost, you must honor any coupons, customer loyalty rewards program points or credits, discounts, or other authorized promotional offers that we prescribe for the franchise system, unless we agree otherwise. You must follow the guidelines set forth in the FRC Materials with respect to your obligations and responsibilities under these programs. We reserve the right to require you to purchase and utilize processing equipment and software designated by us to implement any of these programs.

### **Insurance**

You must procure, maintain and provide evidence of certain types and amounts of insurance coverage described in the FRC Materials. These types of insurance include comprehensive general liability, products

liability, unemployment and worker’s compensation, personal property, business interruption, owned and non-owned auto liability and builder’s risk coverage and an umbrella policy. We recommend that you also carry employee dishonesty insurance. If you fail to purchase the required insurance, we may demand that you cease operations or obtain insurance for you and you must reimburse us for the cost of the insurance. All insurance policies must name us as an additional insured and give us at least 30 days prior written notice of termination, amendment or cancellation. You also must provide us with certificates of insurance evidencing your insurance coverage before the opening of your shoppe, upon any changes in the coverage that we require, and at least 30 days’ prior to the expiration of any existing policies. You must furnish us with copies of all required insurance policies or other evidence of insurance coverage and payment of premiums as we request from time to time. We reserve the right to require you to change the types and amounts of insurance you are required to maintain upon 60 days’ prior written notice to you.

**Purchasing Arrangements**

We have purchasing arrangements to provide our franchisees with proprietary and designated food and drink items. You must participate in these arrangements; however, you should not at any time rely on the continued availability of any particular pricing arrangement, nor the availability of any particular product or brand in deciding whether to purchase the franchise.

If we designate another third party supplier and then establish a discount buying program or similar arrangement with the designated supplier of a product or menu item that you sell in your shoppe, we reserve the right to derive revenue from your purchases of such products or menu items.

We and our affiliates have the right to receive payments from suppliers on account of their dealings with you and franchisees.

We have an agreement with the approved suppliers for the Proprietary Items for our franchisees, which provides that we will receive between 4 and 10 percent of the amount paid to the supplier by our franchisees for purchases depending on our required commitment to the suppliers. We reserve the right to receive other payments from these and other designated suppliers in the future. We and our affiliates may retain the credit of any rebate, incentive or volume discounts received as a result of your purchases and are not required to share it with our you or our other franchisees.

**ITEM 9**

**FRANCHISEE’S OBLIGATIONS**

**This table lists your principal obligations under the Franchise Agreement, Multi-Unit Development 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.**

<b>Obligation</b>	<b>Section in Agreements</b>	<b>Disclosure Document Item</b>
(a) Site selection and acquisition/ lease	Sections 3.1, 5.1 and 5.2 of Franchise Agreement (“FA”); Section 3.3 of Multi-Unit Development Agreement (“MUDA”)	Items 8 and 11
(b) Pre-opening purchases/leases	Sections 5.2, 5.3, 5.4, 5.5 and 5.6 of FA	Items 5, 6, 7 and 8

<b>Obligation</b>	<b>Section in Agreements</b>	<b>Disclosure Document Item</b>
(c) Site development and other pre-opening requirements	Sections 5.3, 5.4, 5.5, 5.6 and 5.7 of FA	Items 7, 8 and 11
(d) Initial and ongoing training	Article 6 of FA; Section 3.4 of MUDA	Item 11
(e) Opening	Section 5.8 of FA; Section 3.1 of MUDA	Item 11
(f) Fees	Articles 4, 11 and 12 and Sections 5.6, 6.3, 10.2, 14.6, 15.8, 17.2, 18.3, 20.3, 22.3 and 24.6 of FA; Article 2 and Sections 3.1, 3.4, 4.2, 5.3 and 8.10 of MUDA	Items 5, 6 and 7
(g) Compliance with standards and policies/FRC Materials	Article 8 and Sections 10.3, 14.1 and 14.2 of FA	Items 1, 8, 11 and 15
(h) Trademarks and proprietary information	Article 15 and Section 21.3 of FA	Items 13 and 14
(i) Restrictions on products/services offered	Sections 3.3, 3.4, 10.1.d and 14.4 of FA	Items 11 and 16
(j) Warranty and customer service requirements	Not Applicable	Not Applicable
(k) Territorial development and sales quotas	Article 3 of FA; Sections 1.1 and 3.1 of MUDA	Item 12
(l) Ongoing product/service purchases	Sections 14.5, 14.6 and 14.7 of FA	Item 8
(m) Maintenance, appearance and remodeling requirements	Sections 10.1.a, b and h of FA	Item 11
(n) Insurance	Article 22 of FA	Items 7 and 8
(o) Advertising	Articles 12 and 13 of FA	Items 6, 7 and 11
(p) Indemnification	Section 20.3 of FA; Section 7.2 of MUDA	Item 6
(q) Owner's participation/management/staffing	Sections 10.1.c and i of FA	Items 11 and 15
(r) Records/reports	Article 16 of FA	Item 6
(s) Inspections and audits	Section 14.3 of FA	Item 6
(t) Transfer	Article 17 of FA; Article 5 of MUDA	Item 17

Obligation	Section in Agreements	Disclosure Document Item
(u) Renewal	Section 18.3 of FA	Item 17
(v) Post-termination obligations	Section 19.3 of FA; Article 6 of MUDA	Item 17
(w) Non-competition covenants	Article 21 of FA; Article 6 of MUDA	Item 17
(x) Dispute resolution	Article 23 of FA; Article 8 of MUDA	Item 17

## **ITEM 10**

### **FINANCING**

We do not offer direct or indirect financing to you. We do not guarantee your note, lease or other obligations.

## **ITEM 11**

### **FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING**

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

#### **Pre-Opening Assistance**

Before you open your shoppe, we will:

1. Designate your Protected Area and, if applicable, your Development Area. (Section 3.2 of the Franchise Agreement; Section 1.1 of the MUD Agreement.)

2. Assist you in locating the site for your shoppe by providing you with criteria for an acceptable site, by engaging on your behalf, or working with, a local real estate broker of your choosing, and by approving or disapproving your proposed site. You must use your best efforts to locate and obtain our approval of the Franchised Location within 90 days of signing the Franchise Agreement. You must open your shoppe within one year after signing the Franchise Agreement. However, we may agree to an extension of these deadlines upon a showing that you are making a diligent effort in obtaining a Franchised Location and opening the shoppe. No contractual limit exists on the time it takes us to approve or disapprove your proposed location. However, we typically take no more than 10 business days to approve or disapprove your proposed location, and we may extend the deadline for opening your shoppe when circumstances beyond your reasonable control delay the site selection and approval process. (Sections 5.1, 5.8 and 7.1.b of the Franchise Agreement; Section 3.3 of the MUD Agreement.)

3. Assist you with the lease for your Franchised Location, by assisting you with the negotiations and preparation of the LOI for your lease, assisting you with the negotiation of the lease, providing you, among other things, an acceptable use clause, determining that the signage requirements allow for sufficient Bambū branding, negotiating relocation and other terms found in many leases, and other matters. (Sections 5.2 and 7.1.d of the Franchise Agreement.)

4. Make available to you such standards and specifications as we have developed for the leasehold improvements, design of the shoppe, signage, colors, decor, inventory, equipment, artwork,

programs, displays and uniforms. We will assist you in developing a required kitchen workflow design and provide you with specific equipment specifications for use in creating the layout for your shoppe, typically after you have signed a LOI for your Franchised Location and before you sign the lease. We will consult with you regarding your construction documents, which must be prepared by our designated architectural firm or another architect you select, and we approve. We must approve those documents before you submit them for permitting and construction begins, and if any suggested changes to the plans deviate materially from the initial kitchen workflow design and equipment specifications we provide to you. You are responsible for the cost of any architectural designs and mechanical drawings that you obtain, and for modifying any plans that we may provide to you, and for the cost of construction. (Sections 5.2, 5.3, 5.4, 5.5, 5.6 and 7.1.c of the Franchise Agreement.) See also “Site Selection Assistance,” described below in this Item.

5. Make available to you standards and specifications for food and beverage products, merchandise, and other items and materials offered for sale, in connection with your shoppe. We will provide you with a list of approved suppliers, if any, of such equipment, items, materials, food and beverage products and merchandise, which list will vary depending on your Franchised Location. We will also provide you, if available, a description of any regional or central purchase and supply agreements offered by such approved suppliers for the benefit of our franchisees. (Section 7.1.e of the Franchise Agreement.)

6. Before the shoppe’s opening, we will determine that the shoppe is sufficiently completed to schedule training and will furnish a Training Program and opening support described below in this Item. (Article 6 and Section 7.1.a of the Franchise Agreement; Section 3.4 of the MUD Agreement)

7. Provide up to 11 days of consultation, onboarding, and opening support. Approximately one half day will involve a preassessment construction/remodeling review of your shoppe and an owner orientation, conducted after you sign your lease. Approximately two days will be an owners training at a designated Bambū shoppe location conducted before your opening training is scheduled. Approximately one day will involve a shoppe pre-opening assessment. If we determine during our preassessment that the shoppe is not prepared for training and soft opening, we will reschedule the remainder of the training and charge for the additional costs incurred for travel cancellation and other additional expenses incurred by us. Approximately seven and a half days for shoppe staff observation, guidance and consultation on-site at your shoppe at or around the time your shoppe commences operation, with soft-opening support. (Sections 6.2 and 7.1.a of the Franchise Agreement.)

8. Provide you electronic access to our confidential and proprietary FRC Materials covering certain aspects of the specifications, standards, drink and food item preparation information and operating procedures that we require in the operation of your shoppe, including all updates and revisions. (Article 8 and 7.1.f of the Franchise Agreement.)

9. Provide you with assistance and advice about how to conduct your initial marketing campaign. (Section 7.1.g of the Franchise Agreement.)

### **Continuing Assistance**

During the operation of your shoppe, we will:

1. Provide you access to print and social media advertising and promotional materials that we may develop, and provide menu updates, certain creative designs for marketing materials, and recipes, the cost of which may be passed on to the Marketing and Technology Fund or to you at our option. (Section 9.1.a of the Franchise Agreement.)

2. Upon your reasonable request, provide consultation by SMS or telephone regarding the continued operation and management of your shoppe and information regarding product quality control, menu items, customer relations, product and merchandise purchase, supply and sale and similar advice. (Section 9.1.b of the Franchise Agreement.)

3. Make periodic operational facility review visits to your shoppe to determine that your operations and management are following the guidelines and requirements we have set forth, which visits may be scheduled or unscheduled. (Section 14.3 of the Franchise Agreement.)

4. Provide additional seminars or programs conducted by us or our suppliers, at a frequency which we shall determine, on new methods, equipment and products. (Section 9.1.c of the Franchise Agreement.)

5. Provide you with updates of information and programs regarding the shoppe, the Bambū concept or the Bambū system, at a frequency which we shall determine, including information about additions and improvements to menu items, products and merchandise or new products and merchandise which may be developed and made available for sale by franchisees. You agree to upgrade, remodel or replace the property and equipment used in operating the shoppe if requested by us on a system-wide basis. (Section 9.1.d and Section 10.1.h of the Franchise Agreement.)

6. Train replacement or additional Bambū Certified Team Leaders or other supervisors during the term of the Franchise Agreement. We reserve the right to charge a tuition or fee, commensurate with our then current published prices for such training, payable in advance. You are responsible for all travel and living expenses incurred by your personnel during the Training Program. The availability of the Training Programs is subject to space considerations, training staff availability and prior commitments to new franchisees. (Sections 6.3 and 9.1.e of the Franchise Agreement.)

7. At our discretion and to the extent permitted by law, periodically provide specifications to you for any maximum or minimum prices we establish to be charged by you for products and programs in your Bambū shoppe. You must comply with the maximum and minimum pricing guidelines we establish. If we do not establish pricing limits for certain products and programs, we may provide you with suggested prices for those items at our discretion. (Section 10.1.m of the Franchise Agreement.)

8. Permit you to use our Bambū system, as they may be modified (Sections 2.1 and 15.3 of the Franchise Agreement).

9. Permit you to use our Marks in accordance with our specifications (Sections 2.1 and 15.1 of the Franchise Agreement).

### **Advertising and Promotion**

You must pay us a Marketing and Technology Fee, which is \$550 per month as of the date of this Disclosure Document. The Marketing and Technology Fee commences on the first day of the first full month following the opening of your Bambū shoppe, and then is due on the first day of each month thereafter during the term of your Franchise Agreement. This amount is subject to increase each year on 90 days' written notice. We deposit the Marketing and Technology Fee in a separate bank account or savings account ("**Marketing and Technology Fund**" or "**Fund**"). All company and affiliate-owned shoppes, if any, pay into the Marketing and Technology Fund on an equal percentage basis with all newly franchised shoppes. If you request it in writing to us, 60 days after the end of each year we will send you an annual unaudited financial statement for the Marketing and Technology Fund which indicates how the Marketing and

Technology Fund has been spent during the previous year. Because we do not have the Fund audited, audited financial statements are not available to you.

We administer the Marketing and Technology Fund in our sole discretion. The Marketing and Technology Fund proceeds may be used for researching, preparing, maintaining, administering and directing advertising and promotional materials and public relations programs, including production of commercial print, radio, television, magazine, newspaper, Internet advertising, direct response literature, direct mailings, brochures, collateral materials advertising, surveys of advertising effectiveness, Franchisee Advisory Council expenses, convention expenses, social media marketing, and other advertising or public relations expenditures, for any international, national, or regional media. We may also use the Marketing and Technology Fund to pay for the expenses related to researching, developing, implementing, servicing, and operating any technology used in any manner related to the Bambū franchise system or the Bambū shoppes, including any technologies utilized in or related to our website, search engine optimization, reporting of information for Bambū shoppes, the equipment used in Bambū shoppes, and Bambū shoppe computer systems (collectively, the “**Technology**”). We do not spend the Marketing and Technology Fund’s money on soliciting franchisees.

We may reimburse ourselves from the Marketing and Technology Fund for administrative costs, salaries and overhead expenses related to the administration of the Marketing and Technology Fund and its programs, including conducting market research, preparing material, collecting and accounting for Marketing and Technology Fund contributions, providing any services related to any Technology, and all costs and expenses related to the Franchisee Advisory Council discussed below. In any fiscal year we may spend an amount greater or less than the aggregate contribution of all Bambū shoppes to the Marketing and Technology Fund in that year. The Marketing and Technology Fund may borrow from us or other lenders to cover deficits or cause the Marketing and Technology Fund to invest any surplus for future use. Any amounts remaining in the Marketing and Technology Fund at the end of each year accrue and we apply them toward the next year’s expenses. We do not guarantee that advertising expenditures from the Marketing and Technology Fund will benefit you or any other franchisee directly or on a pro rata basis. The Marketing and Technology Fund is not a trust fund, and we do not owe a fiduciary duty to you with respect to the maintenance, direction, or administration of the Fund. We assume no other direct or indirect liability or obligation to you for collecting amounts due to any marketing account or for maintaining, directing or administering any advertising account.

We may use outside advertising agencies and personnel and in-house personnel to create international, national, or regional advertising, including social media ads, ad slicks, radio and television spots and other marketing pieces and programs and we may purchase and place national advertising.

Although we intend the Marketing and Technology Fund to be of perpetual duration, we reserve the right to terminate the Marketing and Technology Fund on 30 days’ notice, in which case we will distribute the funds remaining in the fund to our franchisees in proportion to their respective contributions during the preceding 12-month period. We may later reinstate the Marketing and Technology Fund upon the same terms and conditions set forth in this Disclosure Document upon 30 days’ prior written notice.

During the 2023 fiscal year of the Marketing and Technology Fund, 57 percent of the Marketing and Technology Fund was spent on brand promotion programs, such as loyalty and gift cards and social media marketing, 37 percent on website and franchise resource center creative and menu design photography expenses, and 6 percent on software. No percentage was spent on administrative expenses. None of the Marketing and Technology Fund was carried over to fiscal year 2024. No portion of the Marketing and Technology Fund was retained by our affiliates or us. No portion of the Marketing and Technology Fund was spent principally to solicit new franchise sales.

**Local Advertising.** You may create your own advertising, promotion, and social media materials and videos; however, all materials and videos displaying the Marks and Bambū name must be in the media and of the type and format as we approve, must be conducted in a dignified manner and must conform to our standards and requirements. You may not use any advertising or promotional plans or materials unless and until you have first received written approval from us. You must purchase local advertising separately through local marketing and media sources within a geographical area. Local advertising is your responsibility.

You must submit to us samples of all advertising, promotional and social media materials and videos which have not been prepared or previously approved by us at least 30 days prior to the deadline for disseminating them. We retain the right to develop and control all advertising using our Marks, including on the Internet or other electronic advertising. We reserve the right, at any time and on notice to you, to require that you participate in electronic advertising by creating, customizing or providing access to a linked webpage, social media, or otherwise.

Except as prohibited or limited by law, you must, at your sole cost, fully participate in all promotional campaigns, prize contests, customer loyalty rewards programs, social media programs, special offers, discount programs including deal-of-the-day and crowdsourcing programs, and other programs, whether international, national, regional, or local in nature, which we prescribe. In addition, at your sole cost, you must honor any coupons, customer loyalty rewards program points or credits, gift certificates, discounts, or other authorized promotional offers that we prescribe for the franchise system, unless we specifically agree in writing otherwise. You must follow the guidelines set forth in the FRC Materials with respect to your obligations and responsibilities under these programs. We reserve the right to require you to purchase and utilize processing equipment and software designated by us to implement any of these programs.

**Initial Advertising Campaign.** You will be required to conduct an initial marketing/public relations program for your shoppe. We will provide you with advice about how to conduct an initial marketing campaign for your shoppe, which will start around the time the shoppe opens for business and continue through a formal grand opening. See Item 7 for the costs of the campaign. In our sole discretion we may provide a grand opening program administered by a public relations company at or shortly after you have your soft opening. We make marketing materials available to you in the FRC Materials.

**Local Advertising Cooperatives.** We may, upon 30 days' written notice to you, create a regional or local advertising cooperative ("**Co-op**") in the market area where you are located, at which time you must become a member of the Co-op. Each Co-op will have the right, by majority vote of the shoppes, counted by one vote per shoppe, and subject to our approval, to require its members to make contributions to the Co-op on a regular or intermittent basis.

Each Co-op will be organized and governed in a form and manner, and begin operating on a date, that we determine in advance. We have the right to form, change, dissolve and merge Co-ops. Each Co-op is, with our approval, to administer advertising programs and develop advertising, marketing and promotional materials for the area that the Co-op covers. If you are contractually bound by your lease or mall regulations to expend a required amount on advertising, the Co-op must factor this in when considering your dues and assessments to be paid to the Co-op. If we form a Co-op, you will be bound by the decisions of the majority of the members of the Co-op regarding expenditures, assessments and dues, to the extent we approve them. If you are in default under the Franchise Agreement, the Co-op reserves the right to not permit you to vote. Except as stated in this section, if you fail to participate in the Co-op or pay any Co-op dues, you breach the Franchise Agreement.

We must approve all advertising materials before they are used by a Co-op or furnished to its members. Each Co-op must prepare unaudited annual financial statements and send them to you if you



request them. We have the right to determine the geographical areas included in each Co-op. Each Co-op will operate under a written document which franchisees can view. Either we or an advertising agency designated by us or the Co-op may create the Co-op's advertising materials and campaigns, but advertising created by the Co-op would be required to have our written approval before use. We do not guarantee that your shoppe will benefit, either directly or in proportion to its contribution to the Co-op, from Co-op expenditures.

### **Franchisee Advisory Council**

We currently do not have a Franchisee Advisory Council (“FAC”), although we may create one in the future. If we create a FAC, we will determine the purpose of the FAC, and the number and composition of council members at that time. Once a FAC is created, we will retain the authority to change and dissolve the FAC. The FAC will act only in an advisory capacity and will not have decision-making authority.

### **Owners' Operations Manual**

Our confidential Owners' Operations Manual is delivered to you via a digital signature service after you sign the Franchise Agreement. Attached to this Disclosure Document as Exhibit G is the table of contents of our Owners' Operations Manual. There are 26 pages in our Owners' Operations Manual.

### **Point-Of-Sale Systems, Merchant Service, Computers and Other Technology**

You must purchase a point-of-sale system meeting our specifications, which is currently the SumUp bundled system (the “POS System”). It includes our approved third-party applications. The POS System has the capability of facilitating our system-wide customer loyalty/rewards program, employee scheduling and time tracking application and third-party delivery services, and has built in merchant software for both shoppe and customer facing ordering, credit card processing and customer tipping. The POS System will generate and store data related to customer transactions and the loyalty program. You must also use a smartphone that accesses the Internet to communicate via SMS. As of the date this Disclosure Document, we do not require you to purchase or use any other specific computer system or software, although we reserve the right to require you to purchase additional hardware and software meeting our requirements in the future.

The cost of purchasing a single POS System with two printers and related equipment and technology for your Bambū shoppe is currently \$2,500. The typical cost of maintenance updates, upgrades and support is usually less than \$100 per month. We can require you to acquire different or additional hardware, software, and possible subscriptions to online applications, including different POS System hardware and software, meeting our minimum specifications on 90 days' notice.

Neither we nor our affiliates or any third party have any obligation to provide ongoing maintenance, repairs, upgrades or updates to the POS System and any required applications used in your franchise business. We reserve the right to require you to give us independent access to the information generated or stored on the POS System upon request to you without contractual limitation.

We may assign an email account to each shoppe (“shoppe Email Account”) that you must use in accordance with the minimum guidelines we establish from time to time. If we provide this capability, a link on our website will allow customers to contact you using the shoppe Email Account. You must review the emails received on the shoppe Email Account on a daily basis and use the shoppe Email Account to promptly respond to customer complaints and questions. Additionally, the shoppe Email Account or other SMS methods are the primary source of communications from us regarding the operation of your Bambū shoppe, unless you are otherwise notified by us in writing. You are required to regularly use a device that accesses the Internet, which may be a smartphone (or other similar device designated by us) with SMS capability which

meets our minimum specifications and obtain a data plan with a reputable wireless carrier which allows you to access the shoppe Email Account and communicate by email on an unlimited basis each day with us and customers of your shoppe. The cost of purchasing a smartphone typically ranges from \$100 to \$1,200 and the cost of a wireless data plan from a major carrier typically ranges from \$30 to \$60 per month. There are no requirements to update or upgrade the smartphone. You agree that you have no reasonable expectation to privacy in the information and data communicated, stored or received using the shoppe Email Account and that we have the right to receive and review the information communicated to and from and stored on the shoppe Email Account. We have no contractual limitation on our right to receive information through the shoppe Email Account. We do not require you to give us independent access to the information generated or stored on a smartphone.

We and third parties may (i) develop proprietary software or other technology systems for use in the shoppes and charge you a license or other fee to license or purchase such software or other technology; (ii) derive revenue from computer software or other technology systems maintenance and upgrade fees, if proprietary software or other technology systems are developed or required to be used in your shoppe; and (iii) require that you participate, at your cost, in all credit card or other payment programs, in all electronic data capture, electronic communication services or other similar programs that we deem mandatory.

You must accept credit and debit cards from customers of your Bambū shoppe. Our approved POS System has the software capabilities to manage credit card processing fees being charged to the customer. However, you may not charge your customers any additional fees or service charges if they elect to pay by credit or debit card. The Payment Card Industry (“**PCI**”) requires all companies that process, store, or transmit credit or debit card information to protect the cardholders’ information by complying with the PCI Data Security Standard (“**PCI DSS**”). Therefore, you must be PCI compliant by following and adhering to the then-current PCI DSS, currently found at [www.pcisecuritystandards.org](http://www.pcisecuritystandards.org), or any similar or subsequent standard for the protection of cardholder data throughout the term of your Franchise Agreement. PCI mandates the PCI DSS compliance.

### **Site Selection Assistance**

You must select, lease or acquire the site for your Bambū shoppe. We do not typically own and lease sites to our franchisees. When you have selected a location for your shoppe you must submit information to us regarding the location so that we may accept or reject the site. Our assistance with the selection and approval of a location includes criteria for a satisfactory shoppe location and a determination as to whether the site fulfills the requisite criteria. The following factors are considered when we review a proposed site: location character; proximity to major roads; income levels; demographics; competition; shoppe demand; lease terms and rates or purchase terms; visibility; tenant mix; walk-by traffic; signage and parking availability. At your request we may, but are not obligated to, send our representative to your proposed location for on-site assessment prior to granting approval of a location. You must pay all travel, lodging and meal expenses of our employees related to the requested on-site assessment. You must find an acceptable site within 90 days of signing the Franchise Agreement unless we agree to grant you additional time, which we will consider granting if you provide evidence that you have made a diligent effort in obtaining a site. Additionally, if we disapprove of any proposed site, we will grant you an additional reasonable time to obtain approval for a different site. If you fail to locate and obtain our approval of a site within the applicable time period, we may terminate the Franchise Agreement. Our acceptance of a location does not infer or guarantee the success or profitability of an approved location.

We will assist you in the negotiation and preparation of a letter of intent (“**LOI**”) with the landlord for your Bambū shoppe. We will provide you a general workflow design or layout for the Franchised Location, typically after you have entered into the LOI for your Franchised Location and before you have signed the lease, provided that you have entered into the Franchise Agreement prior to signing the lease. We

will also assist you in the review and negotiations of your lease, by providing you with recommendations and suggestions of lease terms. We must approve your lease prior to execution. We will provide you with additional consultation in relation to your final shoppe layout, equipment layout and mechanical drawings and other construction documents as we deem appropriate, and we must approve those documents before you submit them for permitting. Our involvement in the negotiation and approval of the lease and in our assistance with the construction documents for the Franchised Location does not constitute a recommendation, endorsement or guarantee by us of the suitability or profitability of the location or the lease, and you will need to take any additional steps necessary to ascertain whether such location and lease are acceptable to you.

### **Schedule for Opening**

We estimate that the typical length of time between the date you sign the Franchise Agreement and the date your shoppe opens will be approximately three to 10 months based on our buildout requirements. The factors which may affect this time period are you locating a satisfactory site, complying with local ordinances and zoning, securing financing, and obtaining a lease, as well as the extent to which an existing location must be upgraded or remodeled, the delivery schedule for equipment, recruiting and hiring, purchasing products and supplies, and completing your training. We will conduct a preassessment review of your shoppe approximately one to two weeks prior to your soft opening to determine if onsite training can be scheduled. You must obtain our prior written approval before opening the shoppe. You must open the shoppe no later than one year after signing the Franchise Agreement unless we determine that circumstances warrant granting you an extension of time. In our preassessment review, we will provide you with a written list of anything that must be done or changed before opening or promptly after opening. You will not be permitted to open the shoppe until you have furnished the shoppe, purchased inventory, fully stocked the shoppe with menu items, and trained your employees. We reserve the right to perform a further walk-through of the location for your shoppe after you notify us that you are ready to open for business, at which time we may issue additional requirements for compliance before opening. You are deemed to have commenced operations and opened at the time that you have complied with all pre-opening obligations in the Franchise Agreement and your Bambū shoppe is first open to any paying customers.

### **Training Program**

Upon payment of the Training Fee, two individuals designated by you to assume primary responsibility for operating the Bambū shoppe and approved by us as “**Bambū Certified Team Leaders**,” are required to attend and successfully complete the opening training program (the “**Training Program**”), which is conducted in part by us at the Franchised Location. All individuals designated for Bambū Certified Team Leaders must attend and participate in the entire Training Program, including the onsite training program. Only individuals who will be serving as Bambū Certified Team Leaders, or the individual with full-time management responsibility for the Bambū shoppe, may attend our Training Program. The Training Program may include verbal, written, online, video conferencing or audiotaped classroom training and on-the-job training for the front and back of the shoppe (including, but not limited to, customer service, cooking, ingredients and drink preparation), and shoppe maintenance. If there is more than three individuals in the training Program, we may charge our then current additional training fee to train such additional persons. You are responsible for any and all traveling, lodging, and meal expenses, and wages incurred by you and your employees in connection with attendance at the Training Program. Training participants will not receive any compensation from us while attending Bambū’s training.

The Training Program consists of 11 combined days of pre- and post-opening training and consultation, and seven days of opening training that will be scheduled to start after we have conducted a successful site review and pre-opening assessment. You must notify us when you have passed your Environmental Health Department Inspection, which typically takes place as the buildout of your Bambū

shoppe nears completion or you have received other temporary rights to bring products and ingredients into the shoppe and are allowed to prepare food items, so we can schedule the opening training.

In addition to the opening training, and approximately two months prior to the estimated date of the opening training, you and one other designated Bambū Certified Team Leader must attend a two day pre-opening owner operations orientation and training program conducted at the Bambū shoppe located in Grand Prairie, Texas, or at an alternative location approved by us.

If we determine, in our sole reasonable discretion, that the individuals designated as your Bambū Certified Team Leaders are not able to operate the shoppe in accordance with our standards and specifications, we will require you to make any necessary changes and reschedule the Training Program. You will be required to pay us the cost of rescheduling including transportation, lodging and meals of our training staff.

We require at least one Bambū Certified Team Leader, which may be you, to be responsible for the management of your shoppe on a full-time basis. We charge a fee to train new Bambū Certified Team Leaders or re-train employees at your shoppe to ensure they are properly trained in our methods.

Our onboarding and the Training Program are conducted and overseen by Scott Bachman, our Chief Operating Officer. The onboarding and training team includes Willy Mathew, our Vice President of Franchise Services, Grant Bachman, our Director of Operations, Tien Nguyen, our Director of Training, Thu Anh Hoang, our Director of Communications, and Minh Thu Nguyen, our Director of Franchise Relations. Mr. Scott Bachman has over 11 years’ experience with us and over 30 years in financial and operations management. Mr. Mathew has worked for us since June 2019 and has over 23 years’ experience in franchise operations and consulting in the field. Mr. Grant Bachman joined us in 2022 and has over nine years’ experience in the field. Mr. Nguyen has worked for us since June 2019 and has eight years’ experience in the restaurant business. Ms. Hoang has worked for us since August 2019 and has seven years’ experience in the field. Ms. Nguyen joined us in April 2022 and has nine years’ experience in the field. Each of our personnel assisting with the onboarding and our Training Program has demonstrated to us satisfactory knowledge of the topics that they provide instruction for, has at least one year of experience in operating a Bambū shoppe and in training and opening Bambū shoppes that other people operate, and is overseen and reviewed by Mr. Scott Bachman.

We currently provide the following Training Program to our franchisees on an as-needed basis:

### **Training Program**

<b>Column 1 Subject</b>	<b>Column 2 Hours of Classroom Instruction</b>	<b>Column 3 Hours of On- The-Job Training</b>	<b>Column 4 Location</b>
Owner Orientation: Introduction to the Bambū mission & values, building-out, onboarding, training and opening schedule	4	6	Franchisee’s Bambū shoppe or an alternative location selected by us
Review of Owners’ Operations Manual with focus on Food & Safety, Sanitation, etc.	2	1	Food Safety Facility, Franchisee’s Bambū shoppe or an alternative location
Marketing Best Practices and Loyalty Rebate Program	2	2	By video, web or mobile conferencing

<b>Column 1 Subject</b>	<b>Column 2 Hours of Classroom Instruction</b>	<b>Column 3 Hours of On- The-Job Training</b>	<b>Column 4 Location</b>
Ingredient Preparation: Preparing, cooking and storing core shoppe ingredients	0	28	Franchisee's Bambū shoppe or an alternative location selected by us
Drink Preparation: Chè, smoothies, yogurts teas, coffee, juices and waffles	0	18	Franchisee's Bambū shoppe or an alternative location selected by us
Inventory and Distribution: Review of grocery, distribution and ingredients	1	2	Franchisee's Bambū shoppe or an alternative location selected by us
Equipment and Smallwares: Review and instruction of tools needed for operational efficiency	1	3	Franchisee's Bambū shoppe or an alternative location selected by us
Customer Service: Review of product, proactive customer interaction.	1	5	Franchisee's Bambū shoppe or an alternative location selected by us
Sales and Service: Your menu, local store marketing, loyalty and alternative programs	1	2	Franchisee's Bambū shoppe or an alternative location selected by us
Data Systems: Instruction on POS System, Fivestars, payment systems and reports	1	2	Franchisee's Bambū shoppe or an alternative location selected by us
Human Resources: Review of staffing and scheduling, job descriptions and payroll	1	1	Franchisee's Bambū shoppe or an alternative location selected by us
Pre-Opening Assessment & Team Orientation: Plan and execute training schedule for employees	0	4	Franchisee's Bambū shoppe or an alternative location selected by us
<b>TOTAL</b>	<b>14</b>	<b>74</b>	

We will make the Training Program available to additional or replacement Bambū Certified Team Leaders during the term of the Franchise Agreement at our then-published tuition rates as set forth in the Owners' Operations Manual. This tuition is payable in advance. The availability of training for additional or replacement Bambū Certified Team Leaders is subject to prior commitments to new franchisees and is scheduled based on available space.

You or your Bambū Certified Team Leaders will need to also obtain food safety manager certification from ServSafe® National Restaurant Association ("ServSafe®") or from another food safety certification program approved by your state and local environmental and health requirements. We do not provide this training, and you will be required to pay the fees associated with that training to the third-party provider.

We may require you or other designated employees to attend and satisfactorily complete various other training courses, including on-line training that we periodically choose to provide at times and locations that we designate. We will not require attendance at more than two of these courses, for more than a total of five days, during any calendar year. Besides attending these courses, you agree to attend an annual meeting of all Bambū franchise owners at a location we designate. Attendance at any annual convention will not be

required for more than three days during any calendar year. You will be responsible for all costs and expenses associated with you and your employees attending any continued training and the annual convention, including all travel, meals and lodging costs and compensation for your employees. We will not charge a tuition or fee for participation in the additional training or convention unless you request or we require you or your employees to attend additional training specifically for you.

## ITEM 12

### TERRITORY

You may operate your shoppe and use the Marks and the Bambū system only at the Franchised Location which has been approved by us. You may not operate another Bambū shoppe at any site other than the Franchised Location without first obtaining our written consent, which will require you acquiring another franchise and entering into another franchise agreement, the terms of which may be materially different than the terms set forth in the Franchise Agreement attached to this Disclosure Document. We base our approval of your proposed Franchised Location on a variety of factors including the visibility and demographics of the proposed Franchised Location. See Item 11. If you execute your Franchise Agreement before you select and we approve a site, we will designate a “**Designated Area**” within which you must find a Franchised Location. The designation of the Designated Area does not in any manner grant to you any continuing territorial rights in or to the Designated Area.

Your Franchise Agreement designates a geographic area (“**Protected Area**”) in which we will not establish and operate, or franchise anyone else to establish and operate, other Bambū shoppes, except as described below. The Protected Area may be defined by a radius around the shoppe, zip code boundaries, street boundaries or similar designations. The placement of a shoppe and the designation of a Protected Area by us depends on various demographic and market conditions around a proposed Franchised Location, including density of population, number of competitors and other food uses in the market, site availability, traffic, access and growth potential.

The designation of your Franchised Location, Protected Area or, if applicable, Development Area, does not grant you the exclusive right to any particular market or customers. You may advertise your Bambū shoppe in any geographic area and you may serve all customers who enter your shoppe, subject to reasonable restrictions and policies as we may place on your activities which may include restrictions and policies regarding: (1) electronic advertising (including Internet advertising); (2) the content, methods, media and means used to advertise, market and promote your shoppe; and (3) limitations on advertising, marketing or conducting business in areas outside of your Protected Area. Other Bambū franchisees have the same rights to conduct advertising anywhere and provide programs and products to all persons who enter their shoppes, subject to any restrictions set forth in our FRC Materials. You may not use other channels of distribution such as the Internet, catalog sales, telemarketing or other direct marketing to make sales outside of your Protected Area without our prior written consent.

You may not change the location of your Franchised Location or your Protected Area without our written consent before making the change. You must also pay us a relocation fee of \$15,000 upon our approval for your new location. We will base our approval of your new location on the same variety of factors as your initial proposed Franchise Location. Upon payment of the relocation fee, we will provide you similar new Bambū shoppe operations support, including two site visits and three days of additional training support as determined by us. Unless you sign a MUD Agreement, described below, and except as described below related to Drive-thru shoppes (defined below) in your Protected Area, you have no option, right of first refusal or similar contractual right to acquire additional Bambū franchises. We reserve the right, in our sole discretion, to offer an existing franchisee the first right to purchase an additional franchise in the market area

adjacent to that served by the franchisee's existing Franchised Location. Continuation of your rights to the Protected Area is not dependent on achieving a certain sales volume, market penetration or other contingency.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Under the terms of the MUD Agreement, we grant to you the right to establish, according to a schedule, a set number of Bambū shoppes that you and we agree upon within a larger geographical territory ("**Development Area**"). A Development Area is usually defined by street boundaries, city, county or state limits or by other reasonable boundaries. The number of Bambū shoppes to be developed may be adjusted depending on demographics and other characteristics of a Development Area, including population density, income and other characteristics of the surrounding area, natural boundaries, extent of competition and whether the proposed Development Area is urban, suburban or rural in nature. You do not have a right of first refusal or similar contractual right to acquire additional Bambū franchises in contiguous areas. Except as described below, we may not establish or franchise any other person or entity to establish Bambū shoppes using the Marks and Bambū system within the Development Area for so long as the MUD Agreement is in effect. However, nothing in the MUD Agreement prevents, prohibits, or otherwise restricts at any time the operation of any Bambū shoppes in the Development Area which are operated under any existing franchise agreements, or the grant of successor franchise rights related to those existing franchise agreements.

The continuation of your right to your Development Area during the term of the MUD Agreement is dependent on you meeting the Development Schedule in the agreement. The Development Schedule requires you to open and continuously operate at least a certain number of Bambū shoppes in the Development Area by certain deadlines. Failure to meet the Development Schedule may result in the termination of your development rights. The termination of your MUD Agreement solely for a failure to meet the Development Schedule will not terminate or affect your rights or obligations under any franchise agreements entered into between you and us prior to the date of termination of the MUD Agreement. Each shoppe opened under a MUD Agreement is subject to the terms and conditions of the franchise agreement entered into for that shoppe as discussed above. You do not receive an exclusive territory under the MUD Agreement. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

We, our affiliates and successors retain the following rights, among others, without payment of compensation to you, under the Franchise Agreement and MUD Agreement:

1. To use and to license others to use, the Marks and Bambū system in connection with the operation of a Bambū shoppe, at any location other than the Protected Area and, if applicable, within your Development Area;

2. To use the Marks to identify any type of products and services, promotional and marketing efforts or related items, and to identify products and services distributed or otherwise made available through alternative channels of distribution (other than Bambū shoppes), at any location, including sales through channels such as retail or wholesale distribution, Internet marketing and distribution, social media marketing, mail order, catalog, retail store display, or made-to-order or pre-packaged product sales in grocery stores;

3. To use and license the use of different proprietary marks or methods (for example, if we acquire or are acquired by another business that provides products and services similar to or the same as a shoppe) in connection with the sale of products and services similar to or the same as those which you sell, whether in alternative channels of distribution or through owning, developing, operating or franchising stores which are the same as, or similar to, or different from Bambū shoppes, at any location, and on any terms and conditions as we determine, although we have no present plans to do so;

4. To use and to license others to use the Marks and Bambū system to establish restaurants similar to Bambū shoppes that service walkup and drive-thru customers but without indoor seating (a “**Drive-thru shoppe**”), at any location, including in your Protected Area and, if applicable, in your Development Area; provided that if we desire to open or permit someone else to open a Drive-thru shoppe in your Protected Area or Development Area, we will give you a right of first refusal to participate in the Drive-thru shoppe with either partial or whole ownership thereof;

5. To use and license others to use the Marks and Bambū system to establish shoppes at Institutional Facilities at any location, including in your Protected Area and, if applicable, in your Development Area. “**Institutional Facilities**” means outlets that serve primarily customers located within a captive facility, such as parks charging admission, stadiums, amusement parks, theaters, art centers, airports, transportation facilities, department stores, business and industrial complexes, museums, educational facilities, hospitals, military complexes, buyer club facilities, casinos, resorts, hotels and convention centers; and

6. To engage in any other activities not expressly prohibited in the Franchise Agreement or MUD Agreement, if applicable, including operating or granting any third party the right to operate, any Bambū shoppe that we or our designees acquire as a result of the exercise of a right of first refusal or purchase right that we may have been granted at any location. We have no present plans to establish other related franchises or company-owned businesses selling similar products or services under a different name or trademark, although, as just stated, we reserve the right to do so.

**ITEM 13**

**TRADEMARKS**

We license to you the nonexclusive right to use the Marks, including the following trademarks that are registered on the Principal Register of the United States Patent and Trademark Office (“USPTO”):

Mark	Registration No.	Registration Date
BAMBŪ	Reg. No. 5,321,756	October 31, 2017
BAMBU	Reg. No. 4,792,688	August 18, 2015
	Reg. No. 5,321,760	October 31, 2017

In addition to those Marks listed above, we claim common law service or trademark rights to a number of other words, phrases, or designs that you may use in your Bambū shoppe. The following statements apply solely to any unregistered trademarks and service marks: We do not have a federal registration for these principal trademarks. Therefore these trademarks do not have as many legal benefits and rights as federally registered trademarks. If our right to use these trademarks is challenged, you may have to change to an alternative trademark, which may increase your expenses.

You must use the mark “BAMBŪ” as the principal identification of your Bambū shoppe. You must also identify yourself as an independent owner of the shoppe, however, in the manner as we may require. You may not use any of the Marks or words that are confusingly similar to the Mark as part of any corporate



or trade name or with any prefix to identify unauthorized services or products or in any other manner not expressly authorized in writing by us. Except as permitted in the FRC Materials, you may not use any of the Marks as part of an electronic mail address or on any sites on the Internet and you may not use or register any of the Marks as part of a domain name on the Internet. You must modify or discontinue your use of the Marks if we require modification or discontinuance, at your own expense.

As of the date of this Disclosure Document, there are no presently effective determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, any pending infringement, opposition or cancellation proceedings or material litigation involving the Marks.

We have filed all required affidavits for the registered Marks. We intend to renew our Mark registrations at the appropriate time.

No agreements limit our right to use or license the use of the Marks.

You should bring any uses of names or marks confusingly similar to the Marks to our attention immediately.

We are aware of other businesses that use names similar to the Marks in certain areas. Some of these other businesses have federally registered trademarks covering similar goods and services such as restaurants and coffee products. As a result, there may be superior prior rights or infringing uses that could materially affect the use of the Marks in certain areas. We strongly urge you to research this possibility, using telephone directories, local filings and other means, before you sign the Franchise Agreement or any other documents related to your business, or expending or paying any sums or making any commitments concerning your business. If you fail to do so, you may be at risk.

The Franchise Agreement does not obligate us to protect you against claims of infringement or unfair competition with respect to your use of the Marks. We reserve the right, in our sole discretion, to take any actions that we deem necessary or appropriate to protect the Marks. We pay all costs, including attorneys' fees and court costs, associated with any litigation we decide to commence or defend on your behalf to protect the marks and your right to use them. You must cooperate with us in any litigation. Any apparent infringement of or challenge to your use of any Mark should be brought to our attention immediately and you may not communicate with any person other than us or our counsel regarding any such matter. You may not settle any claim without our written consent. We have sole discretion to take any appropriate action. We have the right to control exclusively any litigation, USPTO proceeding or any other administrative proceeding arising out of any infringement, challenge or claim relating to any Mark.

#### **ITEM 14**

#### **PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

We do not own any patents or copyright registrations or any pending patent or copyright applications which are material to the franchise. We consider our FRC Materials and related materials, training materials, drink and food item preparation information, ingredients and cooking recipes, menus, food preparation techniques and methods, customer and loyalty member lists, our Bambū system and any program that we develop as our proprietary and confidential property. They may be used by you only as described in the Franchise Agreement. You must maintain the confidentiality of our proprietary information and adopt reasonable procedures to safeguard our written materials and prevent unauthorized disclosure of our trade secrets and proprietary information, such as requiring that you enter into a nondisclosure and noncompetition

agreement with each of your employees. Although we have not obtained a copyright registration, we own the copyright in our FRC Materials, training materials, advertising materials and other works.

We may, in our discretion, require you and each of your officers, partners, directors, beneficial owners and employees who become aware of or have access to our confidential information, and their immediate family members, to execute our Nondisclosure and Noncompetition Agreement in the form attached to this Disclosure Document as Exhibit C. You must provide us with a copy of each Nondisclosure and Noncompetition Agreement at the time it is signed and upon our request.

## **ITEM 15**

### **OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS**

You are not required to participate personally in the direct day-to-day management and/or operation of your shoppe. However, at all times during the term of your Franchise Agreement, you must have at least two designated Bambū Certified Team Leaders, one of which may be you, who are responsible for the supervision and management of your Bambū shoppe. If your two designated Bambū Certified Team Leaders are in the same immediate family, such as a husband and wife, then you must have a third Bambū Certified Team Leader who is not in the same immediate family. One of your Bambū Certified Team Leaders, which may be you, must work on a full-time basis and be onsite a minimum of 30 hours per week. This Bambū Certified Team Leader may not engage in any other business or other activity, directly or indirectly, that requires any significant management responsibility, time commitment, or otherwise may conflict with his or her obligations to operate and manage the shoppe. We do not require that the Bambū Certified Team Leaders have an equity interest in the shoppe. If you sign a MUD Agreement, or if you otherwise acquire and operate multiple Bambū shoppes, you must designate at least one Bambū Certified Team Leader to be responsible on a full-time basis for the supervision and management of each shoppe that you operate. The Bambū Certified Team Leader shall assign one or more qualified employees (“**Shift Leaders**”), one of whom must be present at the shoppe during all operating hours when a Bambū Certified Team Leader is not present. Shift Leaders may be part-time employees.

You or a Bambū Certified Team Leader are responsible for recruiting, appointing, hiring, firing, and supervising your employees, independent agents, and other Bambū Certified Team Leaders. You are solely responsible for implementing training and other programs for your employees and agents related to the legal, safe, and proper performance of their work, regardless of the fact that we may provide advice, suggestions, and certain training programs. Such training shall be under the specifications and standards described in the manuals or otherwise in writing by us. The advice, suggestions, and training we provide are to protect our brand and the Marks and to set best practices as to day-to-day operation of your Bambū shoppe. You will have sole authority and control over the day-to-day operations of the Bambū shoppe and its employees and other representatives. Prior to opening your shoppe, and at all times during the term of your Franchise Agreement, you and all Bambū Certified Team Leaders must be certified by ServSafe<sup>®</sup> or another food safety certification program approved by your local Health Department, and must obtain a Food Manager Certificate, at your own cost, which is paid to the third party provider.

You and each of your officers, directors, shareholders, partners and members may be required to sign an agreement (Attachment II to Franchise Agreement) personally guaranteeing and agreeing to perform all obligations of the franchisee under the Franchise Agreement.

Except as stated, we make no other recommendations and have no requirements regarding employment or other written agreements between you and your employees.

## ITEM 16

### RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may offer and sell only those products and services approved by us and may not use your shoppe or the Franchised Location for any purposes other than the operation of a Bambū shoppe. You may not fill “wholesale orders” selling products or programs on- or off-premises, by mail order or through catalogs or the Internet, or transship or reship products. You may offer catering or utilize third-party app delivery and other online delivery programs, in accordance with our standards and specifications for these programs. You must sell all of the products and services approved by us. You must comply with our quality, compliance, and operations standards and specifications. You must prepare all of the drinks sold at your Bambū shoppe in accordance with our recipes and using the ingredients we approve. You must comply with the terms of any mandatory ingredient or product recall promptly upon receipt of notice from us of such recall. We have the right to change or supplement the types of authorized products and services, including reducing or adding menu items, or implementing new programs. There are no limits on our right to do so.

Other than the above, there are no restrictions on goods or services offered by you or on the customers to whom you may sell.

## ITEM 17

### RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

#### THE FRANCHISE RELATIONSHIP

**This table lists certain important provisions of the Franchise Agreement and related agreements. You should read these provisions in the Franchise Agreement and related agreements attached to this Disclosure Document.**

Provision	Section in Franchise Agreement or Multi-Unit Development Agreement	Summary
(a) Length of the franchise term	Section 18.1 of Franchise Agreement (“FA”); Section 4.1 of Multi-Unit Development Agreement (“MUDA”)	10 years for the Franchise Agreement. For the MUD Agreement, the term extends until the earlier of the date that you sign the Franchise Agreement for the final Bambū shoppe to be developed under the MUD Agreement or the deadline in the development schedule for signing that Franchise Agreement.
(b) Renewal or extension of the term	Sections 18.3 and 18.4 of FA	If you meet certain criteria, you may acquire successor franchise rights for the term stated in the then current Franchise Agreement.
(c) Requirements for franchisee to renew or extend	Section 18.3 of FA	Provide notice to us, no more than 3 defaults, remodel shoppe, attend additional training, pay fee, sign new agreement and a Successor Franchise Rider in the form attached as <u>Exhibit E</u> containing a release. If you seek to acquire successor franchise rights, you may be required to sign a contract with materially different terms and conditions than your original contract.

Provision	Section in Franchise Agreement or Multi-Unit Development Agreement	Summary
(d) Termination by franchisee	Section 4.2 of MUDA	For the Franchise Agreement: Not applicable. For the MUD Agreement: You may terminate for any reason upon 60 days' notice. (Subject to state law.)
(e) Termination by franchisor without cause	Not applicable	Not applicable
(f) Termination by franchisor with cause	Sections 19.1 and 19.2 of FA; Sections 4.3 and 4.4 of MUDA	We can terminate only if you commit any one of several listed violations.
(g) "Cause" defined-curable defaults	Sections 19.1 and 19.2 of FA; Section 4.3 of MUDA	For the Franchise Agreement: 48 hours for misuse of the Marks, purchases from unapproved suppliers, or other failures to comply with FRC Materials or other standards, 5 days for monetary defaults, 7 days for filing of a legal action in violation of the dispute resolution terms in the Franchise Agreement, and generally 30 days for other defaults. For the Development Agreement: 30 days' notice for breach. If we provide you with a notice of default, we and our affiliates may suspend services to you until each default is cured.
(h) "Cause" defined-non-curable defaults	Section 19.1 of FA	For the Franchise Agreement: Unauthorized disclosure, conviction of a crime, abandonment, unapproved transfers, bankruptcy <sup>1</sup> , assignment for benefit of creditors, unsatisfied judgments, levy, foreclosure, repeated violations, violate restrictive covenants, two insufficient funds checks, health and safety, misrepresentations, sexual harassment or discrimination, breach of other agreements between us or any of our affiliates and you or any of your affiliates, guaranty becomes unenforceable or inadequate, you become subject to the PATRIOT Act.
(i) Franchisee's obligations on termination/non-renewal	Section 19.3 of FA; Section 4.5 of MUDA	Pay outstanding amounts, de-identification of shoppe, return of confidential information, covenant not to compete (see also r. below); others.
(j) Assignment of contract by franchisor	Section 17.5 of FA; Section 5.1 of MUDA	No restriction on our right to assign.
(k) "Transfer" by franchisee – defined	Section 17.1 of FA; Section 5.2 of MUDA	Includes transfer of franchise agreement or shoppe, any change in ownership of franchisee entity, or the transfer of the assets of the shoppe.
(l) Franchisor approval of transfer by franchisee	Sections 17.3 and 17.7 of FA; Section 5.2 of MUDA	We have the right to approve all transfers, we may not unreasonably withhold our consent. We have the right to approve any public or private offering.

Provision	Section in Franchise Agreement or Multi-Unit Development Agreement	Summary
(m) Conditions for franchisor approval of transfer	Sections 17.2 and 17.7 of FA; Sections 5.2 and 5.3 of MUDA	For the Franchise Agreement: The following conditions will apply: Transferee qualifies, all amounts due are paid in full and any defaults cured, transferee completes training, transfer fee paid, then current contract signed (which may contain terms and conditions materially different from the original Franchise Agreement), franchisee signs general release, noncompetition covenant, if requested upgrade shoppe, transferor remains liable. Review of public or private offering materials. For the MUD Agreement: The following conditions will apply in addition to those listed above: Fee for each undeveloped Bambū shoppe paid.
(n) Franchisor's right of first refusal to acquire franchisee's business	Not applicable	Not applicable
(o) Franchisor's option to purchase franchisee's business	Not applicable	Not applicable
(p) Death or disability of franchisee	Section 17.6 of FA	Franchise must be assigned to approved buyer within 180 days.
(q) Non-competition covenants during the term of the franchise	Section 21.1 of FA; Section 6.1 of MUDA	No involvement in competing business and no diversion of customers or employees.
(r) Non-competition covenants after the franchise is terminated or expires	Section 21.2 of FA; Section 6.1 of MUDA	No competing business for 2 years within 10 miles of your shoppe or any other Bambū shoppe.
(s) Modification of the agreement	Section 24.1 of FA; Section 8.5 of MUDA	The FRC Materials are subject to change. The Franchise Agreement may be modified by a writing signed by both parties or, at our option, upon approval of 75% of our franchisees affected by the modification. Unless prohibited by law or waived by us, you must provide a general release of all claims against us if you request and we consent to modify any provisions of the Franchise Agreement after it has been signed. The MUD Agreement may be modified only by a writing signed by both parties.
(t) Integration/merger clause	Section 24.2 of FA; Section 8.6 of MUDA	Only terms of Franchise Agreement or MUD Agreement are binding (subject to state law). Any promises outside this Disclosure Document, the Franchise Agreement or the MUD Agreement may not be enforceable. No provision in the Franchise Agreement or the MUD Agreement is intended to disclaim express representations made in this Disclosure Document.

Provision	Section in Franchise Agreement or Multi-Unit Development Agreement	Summary
(u) Dispute resolution by arbitration or mediation	Article 23 of FA; Section 8.1 of MUDA	Arbitration or litigation in Denver, Colorado (subject to state law).
(v) Choice of forum	Article 23 of FA; Section 8.1 of MUDA	Arbitration or litigation in Denver, Colorado. You and we agree to waive our rights to a jury. (Subject to state law.)
(w) Choice of law	Section 23.5 of FA; Section 8.1 of MUDA	Colorado law applies. The Colorado Consumer Protection Act does not apply. (Subject to state law.)

<sup>1</sup> This provision may not be enforceable under federal bankruptcy law.

### **ITEM 18**

#### **PUBLIC FIGURES**

There is no compensation or other benefit given or promised to any public figure arising from either the use of the public figure in the name or symbol of the franchise or the endorsement or recommendation of the franchise by the public figure in advertisements. There are no public figures involved in our management.

The Franchise Agreement does not prohibit you from using the name of a public figure or celebrity in your promotional efforts or advertising; however, the use of a public figure in any promotional efforts or advertising requires our prior approval.

### **ITEM 19**

#### **FINANCIAL PERFORMANCE REPRESENTATIONS**

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Marc Geman at 6000 East Evans Ave., Bldg. 2, Suite 210, Denver, Colorado 80222, (303) 808-9393, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20**

**OUTLETS AND FRANCHISEE INFORMATION**

**ITEM 20 TABLE NO. 1  
SYSTEMWIDE OUTLET SUMMARY  
FOR YEARS 2021 TO 2023<sup>(1)</sup>**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>	<b>Column 4</b>	<b>Column 5</b>
<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at the Start of the Year</b>	<b>Outlets at the End of the Year</b>	<b>Net Change</b>
Franchised	2021	59	59	0
	2022	59	61	+2
	2023	61	69	+8
Company Owned <sup>(2)</sup>	2021	1	1	0
	2022	1	1	1
	2023	1	0	-1
<b>Total Outlets</b>	<b>2021</b>	<b>60</b>	<b>60</b>	<b>0</b>
	<b>2022</b>	<b>60</b>	<b>62</b>	<b>+2</b>
	<b>2023</b>	<b>62</b>	<b>69</b>	<b>+7</b>

<sup>(1)</sup> Each year period begins on January 1 and ends on December 31.

<sup>(2)</sup> Store owned and operated by our affiliate Drinks of Denver. We do not directly own or operate any Bambū shoppes.

**ITEM 20 TABLE NO. 2  
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS  
(OTHER THAN FRANCHISOR)  
FOR YEARS 2021 TO 2023<sup>(1)</sup>**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
California	2021	1
	2022	1
	2023	0
Kansas	2021	0
	2022	0
	2023	1
Michigan	2021	0
	2022	1
	2023	2
Pennsylvania	2021	0
	2022	1
	2023	0
<b>Totals</b>	<b>2021</b>	<b>1</b>
	<b>2022</b>	<b>3</b>
	<b>2023</b>	<b>3</b>

<sup>(1)</sup> Each year period begins on January 1 and ends on December 31.

**ITEM 20 TABLE NO. 3  
STATUS OF FRANCHISED OUTLETS  
FOR YEARS 2021 TO 2023<sup>(1)</sup>**

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non-Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations - Other Reasons	Column 9 Outlets at End of Year
<b>United States</b>								
California	2021	16	5	0	0	0	3	18
	2022	18	1	0	0	0	2	17
	2023	17	3	0	0	0	1	19
Colorado	2021	1	0	0	0	0	1	0
	2022	0	0	0	0	0	0	0
	2023	0	2	0	0	0	0	2
Florida	2021	1	1	0	0	0	0	2
	2022	2	1	0	0	0	0	3
	2023	3	0	1	0	0	0	2
Georgia	2021	1	0	0	0	0	1	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Illinois	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Indiana	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	1	0
Kansas	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Louisiana	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Maryland	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	1	0
	2023	0	1	0	0	0	0	1
Massachusetts	2021	3	0	0	0	0	1	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Michigan	2021	4	3	0	0	0	1	6
	2022	6	0	0	0	0	0	6
	2023	6	1	0	0	0	0	7
Minnesota	2021	2	0	0	0	0	1	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Mississippi	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Nevada	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1



Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non-Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations - Other Reasons	Column 9 Outlets at End of Year
New Jersey	2021	2	0	0	0	0	1	1
	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
New York	2021	2	1	0	0	0	0	3
	2022	3	1	0	0	0	2	2
	2023	2	0	0	0	0	0	2
North Carolina	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Ohio	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Oregon	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Pennsylvania	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Texas	2021	5	0	0	0	0	0	5
	2022	5	1	0	0	0	1	5
	2023	5	0	0	0	0	0	5
Utah	2021	1	0	0	0	0	1	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Virginia	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	0	0	2
	2023	2	2	0	0	0	1	3
Washington	2021	6	0	0	0	0	1	5
	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	1	4
Wisconsin	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	2	0	0	0	0	4
U.S. Totals	2021	56	10	0	0	0	11	55
	2022	55	8	0	0	0	6	57
	2023	57	13	1	0	0	4	65
<b>International</b>								
Canada	2021	3	1	0	0	0	0	4
	2022	4	1	0	0	0	2	3
	2023	3	0	0	0	0	1	2
The Philippines	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	1	0	0	0	0	2
<b>Totals</b>	<b>2021</b>	<b>59</b>	<b>11</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11</b>	<b>59</b>
	<b>2022</b>	<b>59</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8</b>	<b>61</b>
	<b>2023</b>	<b>61</b>	<b>14</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>69</b>

(1) Each year period begins on January 1 and ends on December 31

**ITEM 20 TABLE NO. 4  
STATUS OF COMPANY/AFFILIATE-OWNED OUTLETS  
FOR YEARS 2021 TO 2023<sup>(1)(2)</sup>**

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired From Franchisee	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisee	Column 8 Outlets at End of the Year
Colorado	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	1	0
<b>Totals</b>	<b>2021</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
	<b>2022</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
	<b>2023</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>

(1) Each year period begins on January 1 and ends on December 31.

(2) Store owned and operated by our affiliate Drinks of Denver and was used as a test drive-thru model. We do not directly own or operate any Bambū shoppes.

**ITEM 20 TABLE NO. 5  
PROJECTED OPENINGS AS OF DECEMBER 31, 2023**

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company Owned Outlets in the Next Fiscal Year
<b>United States</b>			
California	1	3	0
Colorado	0	1	0
Florida	1	0	0
Kentucky	1	0	0
Massachusetts	1	0	0
New Jersey	0	1	0
New York	0	1	0
North Carolina	1	0	0
Texas	2	1	0
Washington	1	0	0
United States Totals	8	7	0
<b>International</b>			
Canada	3	2	0
<b>TOTALS</b>	<b>11</b>	<b>9</b>	<b>0</b>

A list of the names of all franchisees and the addresses and telephone numbers of their shoppes are listed in Exhibit H attached to this Disclosure Document. A list of the name, city, state, and telephone number (or, if unknown, the last known home telephone number) of every franchisee who has had a shoppe terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the last fiscal year or who has not communicated with us within 10 weeks of the date of this Disclosure Document is listed on Exhibit I attached to this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Some franchisees have signed confidentiality clauses during the last three fiscal years. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with us or the Bambū franchise system. You may wish to speak with current and former franchisees, but be aware that not all of those franchisees will be able to communicate with you.

No independent franchisee organizations have asked to be included in this Disclosure Document. As of the date of this Disclosure Document, there are no trademark-specific franchisee organizations associated with the franchise system that have been created, sponsored or endorsed by us.

## **ITEM 21**

### **FINANCIAL STATEMENTS**

Attached to this Disclosure Document as Exhibit J are our audited financial statements as of December 31, 2023, December 31, 2022, and December 31, 2021. Our fiscal year end is December 31<sup>st</sup>.

## **ITEM 22**

### **CONTRACTS**

Attached to this Disclosure Document are the following franchise-related contracts:

Exhibit A	Franchise Agreement
Exhibit B	Multi-Unit Development Agreement
Exhibit C	Nondisclosure and Noncompetition Agreement
Exhibit D	Closing Acknowledgment
Exhibit E	Successor Franchise Rider to Franchise Agreement

## **ITEM 23**

### **RECEIPTS**

The last page of the Disclosure Document (following the exhibits and attachments) is a document acknowledging receipt of the Disclosure Document by you (one copy for you and one copy to be signed and returned to us).

**EXHIBIT A  
(TO DISCLOSURE DOCUMENT)**

**BAMBU FRANCHISING LLC  
FRANCHISE AGREEMENT**

Franchisee: \_\_\_\_\_

Date: \_\_\_\_\_

Franchised Location: \_\_\_\_\_

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#### ATTACHMENTS

- I. Addendum to Franchise Agreement
- II. Guaranty and Assumption of Franchisee’s Obligations
- III. Statement of Ownership
- IV. Riders to Franchise Agreement for Specific States or Provinces



**BAMBU FRANCHISING LLC  
FRANCHISE AGREEMENT**

**THIS AGREEMENT** (the “**Agreement**”) is made effective as of the date set forth on the signature page hereof, by and between **BAMBU FRANCHISING LLC**, a Colorado limited liability company, located at 6000 East Evans Ave., Bldg. 2, Suite 210, Denver, Colorado 80222 (“**Bambu**”) and the franchisee named on the signature page of this Agreement (the “**Franchisee**”), who, on the basis of the following understandings and agreements, agree as follows:

**1. PURPOSE**

**1.1** Bambu has developed methods for establishing, operating and promoting fast casual beverage businesses featuring freshly made Vietnamese dessert drinks (Chè), Vietnamese style coffee drinks (Cà Phê), Vietnamese style blended yogurts (Yonami), Asian-inspired teas (including Taiwanese bubble tea), and real fruit smoothies (Sinh Tô), with freshly made tapioca boba, house-prepared proprietary ingredients, and a wide-variety of drink toppings, along with mochi waffles and other complementary snack, food and dessert items (“**Bambū shoppes**” or “**shoppes**”) which use the mark “**BAMBŪ®**” and related service marks, trade names and trademarks (“**Marks**”) and Bambu’s proprietary methods of doing business (“**Bambū system**”).

**1.2** Bambu grants the right to others to develop and operate Bambū shoppes under the Marks and pursuant to the Bambū system.

**1.3** Franchisee desires to establish a Bambū shoppe at a location identified herein or to be later identified, and Bambu desires to grant Franchisee the right to operate a Bambū shoppe at such location under the terms and conditions which are contained in this Agreement.

**2. GRANT OF FRANCHISE**

**2.1 Grant of Franchise.** Bambu grants to Franchisee, and Franchisee accepts from Bambu, the right to use the Marks and Bambū system in connection with the establishment and operation of one Bambū shoppe, at the location described in Article 3 of this Agreement. Franchisee agrees to use the Marks and Bambū system, as they may be changed, improved, and further developed by Bambu from time to time, only in accordance with the terms and conditions of this Agreement.

**2.2 Scope of Franchise Operations.** Franchisee shall at all times comply with Franchisee’s obligations hereunder and shall continuously use best efforts to promote and operate the Bambū shoppe. Franchisee shall utilize the Marks and Bambū system to operate all aspects of the business franchised hereunder in accordance with the methods and systems developed and prescribed from time to time by Bambu, all of which are a part of the Bambū system. Franchisee’s Bambū shoppe shall offer all products and services as Bambu shall designate and shall be restricted from offering or selling any products and services not previously approved by Bambu in writing. If Franchisee is a corporation, partnership, limited liability company or other entity, Franchisee shall not engage in any business other than the operation of the shoppe.

**3. FRANCHISED LOCATION AND TERRITORIAL RIGHTS**

**3.1 Franchised Location.** Franchisee is granted the right and franchise to own and operate a Bambū shoppe at the address and location which shall be set forth in Attachment I, attached to this Agreement (“**Franchised Location**”). If, at the time of execution of this Agreement, the Franchised Location cannot be designated as a specific address because a location has not been selected and approved, then Franchisee

shall promptly take steps to choose and acquire a location for its Bambū shoppe within the “**Designated Area**,” set forth in Attachment I. In such circumstances, Franchisee shall select and propose to Bambu for Bambu’s prior written approval a specific location for the Franchised Location which, once approved by Bambu, shall then be described in the rider to Attachment I.

**3.2 Protected Area.** Subject to Bambu’s reservation of rights described in Section 3.4 below, Bambu shall not establish and operate, or franchise another person or entity to establish and operate, a Bambū shoppe within the geographic area described in Attachment I, attached hereto (the “**Protected Area**”). However, nothing in this Agreement restricts any Bambu-owned or franchised Bambū shoppes from advertising in, or soliciting customers from, Franchisee’s Protected Area. Franchisee does not have exclusive rights to the customers in its Protected Area.

**3.3 Limitation on Franchise Rights.** The rights that are granted to Franchisee are for the specific Franchised Location and Protected Area and cannot be transferred to an alternative Franchised Location and Protected Area, or any other location, without the prior written approval of Bambu, which approval may be withheld for any reason, in Bambu’s sole discretion. Franchisee shall not operate another shoppe, offer products or services which are part of the Bambū system at any site other than the Franchised Location, fill wholesale orders, sell products or services by mail order or through catalogs or the Internet, offer products or services at temporary venues, transship or reship products, or offer any other type of off-site service or sale of products. Franchisee may offer catering or utility third party app delivery or other online delivery programs only in compliance with Bambu’s standards and specifications for offering such programs.

**3.4 Bambu’s Reservation of Rights.** Franchisee acknowledges that its franchise rights as granted are non-exclusive and that Bambu, for itself, its affiliates and successors, retains the rights, among others and without payment of compensation to Franchisee:

a. to use, and to license others to use, the Marks and Bambū system in connection with the operation of a Bambū shoppe, at any location other than within the Protected Area;

b. to use the Marks to identify any type of products and services, promotional and marketing efforts or related items, and to identify products and services distributed or otherwise made available through alternative channels of distribution (other than Bambū shoppes), at any location, and on any terms and conditions as Bambu determines including, but not limited to, sales through channels such as wholesale or retail distribution, Internet marketing and distribution, social media marketing, mail order, catalog, retail store display, or made-to-order or pre-packaged product sales in grocery stores, at any location;

c. to use and license the use of different proprietary marks or methods (for example, if Bambu acquires or is acquired by another business that provides products and services similar to or the same as a shoppe) in connection with the sale of products and services similar to or the same as those which Franchisee sells, whether in alternative channels of distribution or through owning, developing, operating or franchising stores which are the same as, or similar to, or different from Bambū shoppes, at any location, and on any terms and conditions as determined by Bambu;

d. to use and to license others to use the Marks and Bambū system to establish restaurants similar to Bambū shoppes that service walkup and drive-thru customers but without indoor seating (a “**Drive-thru shoppe**”), at any location, including in Franchisee’s Protected Area; provided that if Bambu desires to open or permit someone else to open a Drive-thru shoppe in Franchisee’s Protected Area, Bambu will give Franchisee a right of first refusal to participate in the Drive-thru shoppe with either partial or whole ownership thereof;

e. to use and license others to use the Marks and Bambū system to establish shoppes at Institutional Facilities at any location. “**Institutional Facilities**” means outlets that serve primarily customers located within a captive facility, such as parks charging admission, stadiums, amusement parks, theaters, art centers, airports, transportation facilities, department stores, business and industrial complexes, museums, educational facilities, hospitals, military complexes, buyer club facilities, casinos, resorts, hotels, and convention centers. Bambu, on behalf of itself, its affiliates and designees, reserves the right to contract with Institutional Facilities to develop and operate shoppes within these facilities; and

f. to engage in any other activities not expressly prohibited under the terms of this Agreement, including but not limited to, operating or granting any third party a right to operate any shoppe that Bambu or its designees have acquired as a result of a purchase right that Bambu may have by separate agreement at any location.

#### 4. INITIAL FRANCHISE FEE

**4.1 Initial Franchise Fee.** In consideration for the right to develop and operate one Bambū shoppe, Franchisee shall pay to Bambu the initial franchise fee (“**Initial Franchise Fee**”) in the amounts and at the times set forth in Attachment I. Franchisee acknowledges that the entire Initial Franchise Fee represents payment for the initial grant of the rights to use the Marks and Bambū system, and for the initial services provided by Bambu to Franchisee, and that Bambu has earned the Initial Franchise Fee upon execution of this Agreement, and that the fee is under no circumstances refundable to Franchisee, unless otherwise specifically set forth in this Agreement.

**4.2 Opening Training Fee.** Once Franchisee’s Bambū shoppe passes its health inspection and the opening training is scheduled, Franchisee shall pay to Bambu a training fee (the “**Training Fee**”) in the amount set forth in Attachment I. Franchisee understands and agrees that neither it, nor its representatives, will be permitted to attend the opening training until the Training Fee is paid in full.

#### 5. DEVELOPMENT OF FRANCHISED LOCATION

**5.1 Approval of Franchised Location.** Franchisee shall locate, within 90 days after the date of execution of this Agreement, a Franchised Location which is suitable for the operation of the Bambū shoppe and have it accepted by Bambu, provided that Bambu may extend this deadline in the event that Franchisee is making a diligent effort in obtaining a Franchised Location, as determined by Bambu in its discretion. Franchisee shall seek Bambu’s approval of any site proposed as a Franchised Location, by submitting such site submittal information, including the address, site plan, terms sheet, and demographics and other reasonable materials requested by Bambu. Franchisee acknowledges and agrees that Bambu’s acceptance of a site and any information provided by Bambu regarding the site does not constitute a representation or warranty of any kind, express or implied, as to the suitability of the site for a Bambū shoppe. If Bambu disapproves of any site proposed by Franchisee, Bambu will grant Franchisee an additional, reasonable period of time to obtain approval of a Franchised Location, as may be determined in Bambu’s sole but reasonable business judgment.

**5.2 Approval of Site Acquisition or Lease.** Bambu will provide Franchisee assistance with the negotiation and review of a letter of intent for the lease, and the lease, for the Franchised Location, as Bambu determines appropriate in its discretion. Bambu’s assistance will include suggestions and recommendations concerning the terms and conditions of the letter of intent and lease provisions. It ultimately is the responsibility of Franchisee to negotiate and accept the final terms of the documents. Franchisee must obtain Bambu’s prior written approval before executing any lease for the Franchised Location. If Franchisee leases the Franchised Location, Franchisee shall ensure that the lease for the Franchised Location contains a use clause approved by Bambu and signage criteria that provides for

adequate branding of the Bambū shoppe. While Bambu's assistance may include recommendations to protect Franchisee under the terms of the lease, Franchisee acknowledges that Bambu's involvement in the negotiation or approval of a lease for the Franchised Location is primarily for Bambu's benefit only and does not constitute a recommendation, endorsement or guarantee by Bambu of the suitability or profitability of the location, the lease. Franchisee should take all steps necessary to ascertain whether such location and lease are acceptable to Franchisee, which may include engaging its own legal counsel to review the letter of intent and lease. Franchisee shall deliver a copy of the signed lease for the Franchised Location to Bambu within 15 days of its execution.

### **5.3 Construction, Conversion and Design.**

a. Once a lease is signed, Franchisee will need to obtain permits and begin construction of the shoppe. Franchisee shall retain an architect and general contractor at or before the lease is signed. Franchisee must obtain Bambu's prior written consent of its selected local architect. Bambu will not withhold its approval of the architectural firm provided it can demonstrate it has sufficient expertise in commercial retail design work to ensure that the plans, approvals and permits are obtained and overview of the project is accomplished. If Bambu does not approve Franchisee's designated architect, Bambu may require that Franchisee engage an architectural firm designated by Bambu.

b. Bambu will assist Franchisee in the development of a required kitchen workflow design and layout, and recommend equipment specifications, some of which are required, and may recommend certain finishes, materials, furniture, counter and décor for Franchisee to use in designing the layout for the Franchised Location. Franchisee shall then be responsible for engaging a local architect to prepare final permit drawings, including the shoppe layout, equipment layout and mechanical drawings or other construction documents necessary for construction of the Bambū shoppe. Franchisee shall consult with Bambu regarding the construction documents as it deems appropriate in its discretion, and Franchisee shall obtain Bambu's written consent to any conversion, improvements, design or decoration of the premises before construction, remodeling or decorating begins, recognizing that any related costs are Franchisee's sole responsibility. Once Bambu approves the final plans, they cannot be changed without its prior written approval. Franchisee must also submit those materials to the governmental authority that issues the required permits and approvals for the construction, and Franchisee's landlord, if applicable. Such materials must be provided to and approved by Bambu before Franchisee submits such materials for permitting if they deviate materially from the initial workflow design and equipment specifications that Bambu provides to Franchisee. However, it shall be Franchisee's sole responsibility to have prepared all required architectural designs, mechanical drawings, site plans, blueprints and construction plans to suit the dimensions of the Franchised Location and to ensure compliance with all applicable federal, state and local laws, regulations and codes including the Americans With Disabilities Act, and any lease or purchase agreement. Franchisee acknowledges that the assistance related to the design and layout of the Franchised Location provided by Bambu, and Bambu's approval of any drawing, layout, or other construction document related to the Franchised Location, do not constitute a recommendation, endorsement or guarantee by Bambu of the suitability or profitability of the location, layout or design of the Bambū shoppe.

**5.4 Signage.** Franchisee shall purchase or otherwise obtain for use at the Franchised Location and in connection with the Bambū shoppe signs which comply with the standards and specifications of Bambu as set forth in the Bambū Logo Style Guide available in the FRC Materials, as that term is defined in Section 8.1. It is Franchisee's sole responsibility to ensure that any signs comply with applicable local ordinances, lease covenants, mall regulations, building codes and zoning regulations. Any modifications to Bambu's standards and specifications for signs which must be made due to local ordinances, codes or regulations shall be submitted to Bambu for prior written approval. Franchisee acknowledges the Marks, or any other name, symbol or identifying marks on any signs shall only be used in accordance with Bambu's standards and specifications and only with the prior written approval of Bambu.

**5.5 Equipment and Inventory.** Franchisee shall purchase or otherwise obtain for use or sale at the Franchised Location and in connection with the Bambū shoppe equipment and inventory of a type and in a quantity which complies with the standards and specifications of Bambu. Franchisee acknowledges that the type, quality, configuration, capability and performance of the equipment, inventory and other products and services used or offered through the Bambū shoppe are all standards and specifications which are a part of the Bambū system and therefore such equipment, inventory, products and other items must be purchased, leased or otherwise obtained in accordance with Bambu's standards and specifications and only from Bambu, its affiliates or suppliers and distributors approved or designated by Bambu ("**Suppliers**").

**5.6 POS System, Merchant Service, Computers and Telecommunications.**

a. Franchisee shall purchase or lease for use in the operation of the Bambū shoppe an electronic cash register system, including hardware to service the loyalty rewards program, ("**POS System**") that meets Bambu's specifications and from a supplier designated by Bambu. Franchisee shall acquire and equip the Bambū shoppe with such other computers and other equipment as designated by Bambu from time to time. Such equipment may include hardware equipment, software and possible subscriptions to online applications. Bambu reserves the right to independently access sales and other information about the performance of the Bambū shoppe through the POS System or through any other computer systems of Franchisee, without restriction. Franchisee is also required to own and use a smart phone or other device agreed to in writing by Bambu that meets Bambu's standards and specifications, with a minimum of 1 GB of combined data plan, that can and will be kept on and used to receive and send communications via SMS, as defined in Section 8.4. Franchisee shall be responsible for all ongoing license, support, maintenance and update costs to facilitate operation of the POS System and any required applications.

b. Franchisee, at Franchisee's sole cost, shall acquire high-speed Internet service that meets Bambu's then current standards to effectively operate its POS System and to facilitate communication between Bambu and Franchisee including, but not limited to, a website that includes an email system and the FRC Materials that include manuals, and advertising and other information maintained by Bambu. Franchisee's Internet service shall also include in-shoppe customer Internet accessibility. At any time on 90 days' notice, Bambu may require Franchisee to purchase different or additional services, hardware, or software, including but not limited to a different POS System, that meets Bambu's minimum specifications, and may also require that Franchisee pay any related technology fee. Franchisee's participation and communications on the Internet and on the FRC Materials site will be governed by the standards, specifications and guidelines periodically established by Bambu.

c. In Bambu's sole discretion, Bambu may provide Franchisee with a social media platform for posting to Instagram and Facebook as well as for connections to Yelp and Goggle Bambu pages. Franchisee will use the social media platform to respond to comments on Yelp and Goggle and to provide information on views of social media postings. Bambu may change this social media platform or discontinue it in Bambu's sole discretion.

**5.7 Permits and Licenses.** Franchisee agrees to obtain all permits and certifications as may be required for the lawful construction and operation of the Bambū shoppe, together with all certifications from government authorities having jurisdiction over the site that all requirements for construction and operation have been met, including without limitation, zoning, access, sign, health, safety requirements, building and other required construction permits, licenses to do business and fictitious name registrations, sales tax permits, health and sanitation permits and ratings and fire clearances.

**5.8 Commencement of Operations.** Unless otherwise agreed to in writing by Bambu and Franchisee, Franchisee shall, within one year from the date of this Agreement: (1) secure all necessary financing for

the shoppe; (2) select, purchase or lease and build-out the Franchised Location; (3) obtain and provide evidence of insurance as described in Article 22 below; (4) obtain all required licenses and permits; (5) purchase or lease and have installed signs, counters, furniture, equipment and software as meets the standards and specifications of Bambu; (6) purchase an opening inventory of products and supplies; (7) complete the Training Program described in Section 6.1 below; and (8) commence operation of the Bambū shoppe. Franchisee will be deemed to have commenced operations of the Bambū shoppe at the time that the Bambū shoppe is first open to any paying customers. Bambu may, in its sole discretion, extend the time in which Franchisee has to commence operations for a reasonable period of time in the event factors beyond Franchisee's reasonable control prevent Franchisee from meeting this development schedule, so long as Franchisee has made reasonable and continuing efforts to comply with such development obligations and Franchisee requests, in writing, an extension of time in which to have its Bambū shoppe established before the development period lapses. Bambu will perform an on-site preassessment review of the shoppe as part of the on-site consultation described in Section 6.2 to determine whether Franchisee is prepared to commence operations. In this review, Bambu will provide Franchisee with a written list of anything that must be done or changed in the shoppe prior to opening or promptly after opening. Bambu may conduct an additional walk-through of the shoppe prior to opening if Bambu deems it necessary in its discretion, in which case Bambu may issue further lists of actions and changes required. Franchisee shall obtain Bambu's written approval prior to opening the shoppe for business. Franchisee will not be permitted to open the shoppe until it is fully furnished and equipped, inventory has been purchased, the shoppe has been fully stocked with menu items, and Franchisee's employees have been trained.

## 6. TRAINING

### 6.1 Opening Training Program.

a. Upon payment of the Training Fee as set forth in Section 4.2 hereof, two individuals designated by Franchisee to assume primary responsibility for operating the Bambū shoppe and approved by Bambu as "**Bambū Certified Team Leaders**," are required to attend and successfully complete the opening training program (the "**Training Program**"), which is conducted in part by Bambu at the Franchised Location. All individuals designated for Bambū Certified Team Leaders must attend and participate in the entire Training Program, including the onsite training program. Only individuals who will be serving as Bambū Certified Team Leaders, or the individual with full-time management responsibility for the Bambū shoppe, may attend Bambu's Training Program. The Training Program may include verbal, written, online, video conferencing or audiotaped classroom training and on-the-job training for the front and back of the shoppe (including, but not limited to, customer service, cooking, ingredients and drink preparation), and shoppe maintenance. If there is more than three individuals in the training Program, Bambu may charge its then current additional training fee to train such additional persons. Franchisee shall be responsible for any and all traveling, lodging, and meal expenses, and wages incurred by Franchisee and its employees in connection with attendance at the training program. Training participants will not receive any compensation from Bambu while attending Bambu's training.

b. In addition to the opening training, and approximately two months prior to the estimated date of the opening training, Franchisee, if an individual, and one other designated Bambū Certified Team Leader shall attend a two day pre-opening owner operations orientation and training program conducted at a Bambū shoppe designated by us.

**6.2 Length of Training.** The Training Program consists of up to 11 days of onboarding and onsite training, including approximately eight days of opening training and support. Training will be conducted after Bambu has completed its pre-construction site review, owners' orientation, and pre-opening assessment. Franchisee must notify Bambu as soon as it has passed its Environmental Health Department Inspection, which typically takes place as the buildout of its Bambū shoppe nears completion, or Franchisee

has received other temporary rights to bring products and ingredients into the shoppe and are allowed to prepare food items. If Bambu determines during its preassessment that the shoppe is not prepared for training and soft opening, Bambu will reschedule the remainder of the training and charge Franchisee for the additional costs incurred for travel cancellation and other additional expenses incurred by Bambu. The Bambū Certified Team Leaders must attend this training program. If Bambu's trainers observe that the Bambū Certified Team Leaders are not operating the shoppe in accordance with Bambu's standards and specifications, the Bambū Certified Team Leaders will be required to attend additional training which may delay the opening of the shoppe. Bambu will not be liable for any costs associated with a delay in opening the shoppe resulting from the Bambū Certified Team Leaders not being prepared to open the shoppe. Bambu reserves the right to waive all or a portion of the training program or alter the training schedule, if this Agreement is not for Franchisee's first Bambū shoppe or if, in Bambu's sole discretion, the Bambū Certified Team Leaders have sufficient prior experience or training.

### **6.3 Additional Training.**

a. Franchisee or the Bambū Certified Team Leaders must obtain food safety manager certification from the ServSafe National Restaurant Association or another food safety certification program approved by the state and local environmental and health requirements that covers the Franchised Location, at Franchisee's cost, including attending and successfully completing any training required for that certification.

b. Bambu also has the right to require Franchisee, the Bambū Certified Team Leaders and other designated employees to attend and satisfactorily complete training and certification courses from time to time, including online training, and other continuing development programs and meetings that Bambu may periodically choose to provide at times and locations Bambu shall designate. Bambu shall give Franchisee at least 30 days prior written notice of any training courses or programs which are deemed mandatory. Bambu shall not require in-person attendance at additional training courses or programs more than two times, totaling five days, in any calendar year; provided that additional training shall be mandatory for all new Bambū Certified Team Leaders, regardless of the number of prior additional training sessions conducted for Franchisee. Franchisee (or, if Franchisee is not an individual, an owner designated by Bambu) shall attend an annual convention of franchise owners. Bambu may also require Franchisee to attend additional training specifically for Franchisee if Bambu deems it necessary or appropriate in its discretion. Franchisee will be responsible for all traveling, lodging, and meal expenses which are associated with attendance at any mandatory training program and the annual convention. Bambu reserves the right to charge a fee or tuition based on its then-current published rate for any training that Franchisee requests or that Bambu requires specific to Franchisee.

## **7. DEVELOPMENT ASSISTANCE**

**7.1 Bambu's Development Assistance.** Bambu shall provide Franchisee with assistance in the initial establishment of the Bambū shoppe as follows:

a. Provision of the Training Program to be conducted in part at Franchisee's Franchised Location or at another location designated by Bambu, as well as on-site observation and consultation as described in Article 6 above after a determination by Bambu that the shoppe is sufficiently completed to schedule training.

b. Provision of specifications for a Franchised Location which shall include, without limitation, recommendations for space requirements, build out and the demographics and character of the surrounding market area. Franchisee acknowledges that Bambu shall have no other obligation to provide assistance in the selection and approval of a Franchised Location other than the provision of such

recommendations and approval or disapproval of a proposed Franchised Location, which approval or disapproval shall be based on information submitted to Bambu in a form sufficient to assess the proposed location as may be reasonably required by Bambu.

c. Assistance with the development of a required kitchen workflow design and equipment specifications for Franchisee to use in designing the layout for the Franchised Location, and consultation regarding the final architectural plans for the Franchised Location, as described in Section 5.3.

d. Assistance with the negotiation of the letter of intent for the lease for the Franchised Location and the lease, providing Franchisee an acceptable use clause, determining whether the signage requirements allow for sufficient Bambū branding, negotiating relocation and other terms found in leases, and other matters, as described in Section 5.2.

e. Information regarding the selection of raw and prepared ingredients, food items, shoppe supplies, and programs offered, used, sold or leased through Franchisee's Bambū shoppe. After execution of this Agreement, Bambu will provide Franchisee with a list of approved Suppliers, if any, of such equipment, items, materials, inventory and programs and, if available, a description of any regional or central purchase and supply agreements offered by such approved Suppliers for the benefit of Bambū franchisees. The list of approved Suppliers may vary depending on Franchisee's Franchised Location within Bambu's distribution network.

f. Provision of electronic access to, or a written copy of, Bambu's FRC Materials, defined and described in Section 8.1 below.

g. Assistance in determining the scope of and approach to Franchisee's initial marketing campaign for the opening of the Bambū shoppe including access to previously approved marketing materials.

## 8. RESOURCE CENTER MATERIALS

**8.1 FRC Materials.** Bambu shall make available to Franchisee Bambu's confidential Owners' Operations Manual ("**Owners' Operations Manual**"). The Owners' Operations Manual shall be made available via a digital signature service. In addition to the Owners' Operations Manual, Bambu maintains a Franchise Resource Center ("**FRC**") that Franchisee will access at [www.bambufrc.com](http://www.bambufrc.com). The FRC contains Bambu's FRC Blog, FRC Forum, notices, marketing materials, artwork, health compliance plan and information, and ordering platform, as well as other manuals, technical and news bulletins and other written or electronic materials (collectively referred to as "**FRC Materials**"), covering certain standards, specifications and operating and marketing procedures that Bambu requires Franchisee to utilize in developing and operating its Bambū shoppe. The FRC Materials may be modified in Bambu's sole discretion. The FRC Materials are designed to protect Bambu's reputation and the goodwill of the Marks, they are not designed to control the day-to-day operations of Franchisee's Bambū shoppe. Franchisee shall comply with the mandatory portions of the FRC Materials as an essential aspect of its obligations under this Agreement and failure by Franchisee to substantially comply with the mandatory portions of the FRC Materials may be considered by Bambu to be a breach of this Agreement. Bambu may also provide recommended and suggested standards and specifications in the FRC Materials, which are not mandatory on Franchisee.

**8.2 Confidentiality of FRC Materials.** Franchisee shall use the Marks and Bambū system only as specified in the FRC Materials. The FRC Materials are the sole property of Bambu and shall be used by Franchisee only during the term of this Agreement and in strict accordance with the terms and conditions hereof. Franchisee shall not duplicate the FRC Materials nor disclose its contents to persons other than



Franchisee's employees or officers who have signed and submitted to Bambu a confidentiality and noncompetition agreement in a form approved by Bambu. Franchisee shall return any written portions of the FRC Materials to Bambu and permanently delete any and all electronic copies of the same upon the expiration, termination or assignment of this Agreement.

**8.3 Changes to FRC Materials.** Bambu reserves the right to revise or delete any of the FRC Materials from time to time as it deems necessary to update or change operating and marketing techniques or standards and specifications. Franchisee, upon receipt of any updated information, shall update its copy of the FRC Materials as instructed by Bambu and shall conform its operations with the updated provisions within 10 days of receipt of each update. Franchisee acknowledges that a master copy of the FRC Materials maintained by Bambu at its principal office or on its website shall be controlling in the event of a dispute relative to the content of the FRC Materials.

**8.4 Small Message Service.** Franchisee acknowledges that one of Bambu's primary methods of communication with Bambu franchisees is by small message service via email, text messages, or other electronic methods ("SMS"). Any standards and specifications, or changes to standards and specifications, that are communicated by SMS are deemed part of the FRC Materials, and Franchisee is required to comply with them.

## 9. OPERATING ASSISTANCE

**9.1 Bambu's Services.** Bambu shall, during Franchisee's operation of the Bambū shoppe, make available to Franchisee the following services:

a. Bambu shall give Franchisee access to print and social media advertising and promotional materials and certain creative designs for marketing materials as may be developed by Bambu, the cost of which will be borne by the Marketing and Technology Fund defined in Article 13 below. Bambu reserves the right to charge Franchisee for reproducing advertising materials for Franchisee's use and for similar advertising and marketing costs incurred on Franchisee's behalf.

b. Upon the reasonable request of Franchisee, consultation by email or telephone regarding the continued operation and management of a Bambū shoppe and advice regarding product quality control, menu items, customer relations, product and merchandise purchase, supply and sale and similar advice.

c. Provision of seminars or programs, which may be conducted by Bambu or its suppliers and at a frequency to be determined by Bambu, on new methods, equipment, and products.

d. Updates of information and programs regarding the franchised business, the Bambū concept or the Bambū system, at a frequency to be determined by Bambu, including, without limitation, information about improvements to existing menu items or new menu items, products or merchandise which may be developed and made available to Bambū franchisees as a part of the Bambū system.

e. Bambu shall make the Training Program available to replacement or additional Bambū Certified Team Leaders during the term of this Agreement. Bambu reserves the right to charge a tuition or fee in an amount payable in advance, commensurate with the then current published prices of Bambu for such training. Franchisee shall be responsible for all travel, lodging, and meal expenses incurred by its personnel during the training program. The availability of the training programs shall be subject to space considerations, training staff availability and prior commitments to new Bambū franchisees.

## 10. FRANCHISEE'S OPERATIONAL COVENANTS

**10.1 Business Operations.** Franchisee acknowledges that it is solely responsible for the successful operation of its Bambū shoppe and that the continued successful operation thereof is, in part, dependent upon Franchisee's compliance with this Agreement and the FRC Materials. In addition to all other obligations contained in this Agreement and in the FRC Materials, Franchisee shall comply with the following operational obligations:

a. **Quality of Operations.** Franchisee shall maintain clean, efficient and high-quality Bambū shoppe operations and shall operate the business in accordance with the FRC Materials and this Agreement, and in such a manner as not to detract from or adversely reflect upon the name and reputation of Bambu and the goodwill associated with the Bambu Franchising LLC name, the service mark "BAMBŪ<sup>®</sup>" and the Marks generally. The Franchised Location shall not be used for any purpose other than operating a Bambū shoppe in compliance with this Agreement, and that Franchisee shall place or display at the premises (interior and exterior) only those signs, emblems, designs, artwork, lettering, logos, display and advertising material that Bambu approves from time to time.

b. **Compliance with Laws and Good Business Practices.** Franchisee shall conduct itself and operate its Bambū shoppe in compliance with all applicable laws, rules and regulations, and ordinances, including, without limitation, health department regulations and other ordinances in such a manner so as to promote a good public image in the business community. In connection therewith, Franchisee will be solely and fully responsible for obtaining any and all other licenses to carry on business at the Bambū shoppe. Franchisee shall promptly forward to Bambu copies of all health department, fire department, building department and other similar reports of inspections as and when they become available, and shall notify Bambu in writing within three business days of: (1) the commencement of any action, suit or proceeding relating to the shoppe; (2) the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality relating to the shoppe; (3) any notice or violation of any law, ordinance or regulation relating to the shoppe; (4) receipt of any notice of complaint from the Better Business Bureau, and local, state or federal consumer affairs department or division, or any other governmental or independent third party involving a complaint from a customer or potential customer relating to the shoppe, or (5) written complaints from any customer or potential customer, providing Bambu copies of any documentation along with the notice. Franchisee shall resolve or otherwise address any matter listed in (1) through (5) above in a prompt and reasonable manner in accordance with good business practices. Additionally, Franchisee shall comply with the terms and conditions of any mandatory product recall promptly upon receipt of notice from Bambu of such recall. Franchisee shall be solely responsible for any penalties or fines assessed for failure to abide by such laws and regulations. Bambu has no obligation to advise Franchisee of any legislative or other legal developments that may affect its Bambū shoppe. Franchisee is solely responsible for inquiring about and becoming familiar with all applicable laws, ordinances, and regulations, and determining those actions required for compliance. Any information Bambu provides to Franchisee regarding applicable laws, ordinances, or regulations does not relieve Franchisee of its responsibility to consult with its own legal advisor and otherwise take appropriate action to inquire about and comply with applicable laws, ordinances, and regulations.

c. **Management.** Franchisee acknowledges that proper management of the Bambū shoppe is important. Consequently, Franchisee shall employ at all times and register with Bambu in such manner as Bambu may require from time to time, at least two Bambū Certified Team Leaders who have satisfactorily completed Bambu's Training Program and who shall be responsible for the supervision and management of Franchisee's Bambū shoppe. If Franchisee's two designated Bambū Certified Team Leaders are in the same immediate family, such as a husband and wife, then Franchisee must have a third Bambū Certified Team Leader who is not in the same immediate family. One of the Bambū Certified Team Leaders must work on a full-time basis and be onsite at the Franchised Location a minimum of 30 hours per week. This

Bambū Certified Team Leader may not engage in any other business or other activity, directly or indirectly, that requires any significant management responsibility, time commitment, or otherwise may conflict with his or her obligations to operate and manage Franchisee's Bambū shoppe. The Bambū Certified Team Leaders shall assign one or more qualified employees (a "**Shift Leaders**") to be present at the shoppe during all operating hours when a Bambū Certified Team Leader is not present. Shift Leaders may be part-time employees.

d. **Approved Products and Programs.** Franchisee shall offer through its shoppe only products, including but not limited to Chè, coffees, teas, smoothies, other drinks, snacks, and food items, and programs, which meet or exceed the minimum standards and specifications established by Bambu and which have been approved in advance by Bambu. Franchisee shall offer all types of products and services as from time to time may be prescribed by Bambu and shall refrain from offering any other types of products or programs, or operating or engaging in any other type of business or profession, from or through the Bambū shoppe that are not authorized by Bambu,

e. **Payment of Obligations.** Franchisee shall pay on a timely basis all amounts due and owing to Bambu pursuant to any separate agreements between Franchisee and Bambu and all amounts due and owing by Franchisee to all third parties, including affiliates of Bambu, national vendors and taxing authorities, with whom Franchisee does business at or through the shoppe. In connection with any amounts due and owing by Franchisee to third parties, Franchisee expressly acknowledges that a default by Franchisee with respect to such indebtedness may be considered a default hereunder and Bambu may avail itself of all remedies provided for herein in the event of default.

f. **Other Agreements.** Franchisee shall comply with all agreements with third parties related to the Bambū shoppe including, in particular, all provisions of any premises lease or equipment lease.

g. **Employees and Agents.** Franchisee shall be exclusively responsible for recruiting, appointing, hiring, firing, and supervising its employees, independent agents, and Bambū Certified Team Leaders. Those employees and agents will be employees or agents of Franchisee. They are not employees or agents of Bambu and Bambu is not the joint employer of those persons. Franchisee will have sole authority and control over the day-to-day operations of the Bambū shoppe and its employees and agents. Bambu will have no right or obligation to direct Franchisee's employees and agents or to operate the Bambū shoppe. It is Franchisee's responsibility to determine compensation of employees and agents, terms of employment, safety regulations, work assignments, work schedules, and working conditions. Any information regarding any of those issues provided to Franchisee by Bambu are mere suggestions and Franchisee shall have the sole discretion to utilize such information or not. Franchisee will keep Bambu informed of the names, addresses and telephone numbers of all employees and agents. Bambu reserves the right to require Franchisee, at Franchisee's expense, to purchase specified wearing apparel described in the FRC Materials from Suppliers approved by Bambu. All Bambū Certified Team Leaders, employees of Franchisee, Franchisee and its owners, shall wear the specified wearing apparel at all times while working at the Franchised Location. Bambu has the right, in its sole and absolute discretion, to change or modify such dress code guidelines.

h. **Remodeling, Upgrading and Replacement.** Franchisee shall renovate, refurbish, remodel or replace, at its own expense, the real and personal property and equipment used in the operation of the Bambū shoppe, when reasonably required by Bambu in order to comply with the image, standards of operation and performance capability established by Bambu from time to time. If Bambu changes its image, logo, menu, or standards of operation, it shall give Franchisee a reasonable period of time within which to comply with such changes. If required by Bambu, Franchisee must purchase certain personal property and equipment from Bambu's approved suppliers.

i. **Training of Employees.** Franchisee shall be responsible for training all of its employees who work in any capacity in the Bambū shoppe and shall be fully responsible for all employees' compliance with the operational standards which are part of the Bambū system. Franchisee is solely responsible for implementing training and other programs for employees and other agents related to the legal, safe, and proper performance of their work, regardless of the fact that Bambu may provide advice, suggestions, and certain training programs as described in this Agreement. Such training shall be under the specifications and standards described in the manuals or otherwise in writing by Bambu. Such advice, suggestions, and training by Bambu are provided to protect Bambu's brand and the Marks and to set best practices as to the day-to-day operation of Franchisee's Bambū shoppe. Franchisee and all Bambū Certified Team Leaders must obtain food safety certification from the ServSafe National Restaurant Association or another food safety certification program approved by the local Health Department the covers the Franchised Location, at Franchisee's cost, including attending and successfully completing any training required for that certification.

j. **Ownership of Shoppe.** Franchisee shall at all times during the term of this Agreement own and control the Bambū shoppe authorized hereunder. Upon request of Bambu, Franchisee shall promptly provide satisfactory proof of such ownership to Bambu. Franchisee represents that the Statement of Ownership, attached hereto as Attachment III and by this reference incorporated herein, is true, complete, accurate and not misleading, and, in accordance with the information contained in the Statement of Ownership, the controlling ownership of the Bambū shoppe is held by Franchisee. Franchisee shall promptly provide Bambu with a written notification if the information contained in the Statement of Ownership changes at any time during the term of this Agreement and shall comply with the applicable transfer provisions contained in Article 17 herein. In addition, if Franchisee is an entity, all of the owners, partners or members of Franchisee shall sign the Personal Guaranty attached hereto as Attachment II.

k. **Hours of Operation.** Franchisee shall at all times during the term of this Agreement keep its Bambū shoppe open during the business hours customary for the Franchised Location and shall maintain sufficient supplies of menu items, food and ingredients, coffee, teas, powders, and syrups, as well as shoppe supplies and Bambū branded products and merchandise and employ adequate personnel at all times so as to operate the shoppe at its maximum capacity and efficiency. Hours of operations may be adjusted for the time of day, day of the week, holidays and time of year by Bambu, or by Franchisee with Bambu's prior written consent.

l. **Email Communications.** Bambu may provide an email account for Franchisee's Bambū shoppe which will have a link on Bambu's website (the "**Shoppe Email Account**"). Franchisee shall check the Shoppe Email Account on a daily basis and use the Shoppe Email Account to promptly respond to customer questions and complaints. Additionally, Franchisee shall acknowledge that the Shoppe Email Account is the primary source of communications from Bambu regarding the operation of Franchisee's Bambū shoppe until otherwise notified in writing. Franchisee shall check the Shoppe Email Account on a regular basis using its smartphone and computer for communications from Bambu and customers of the shoppe. Bambu shall have full access to the information communicated to and from and stored on the Shoppe Email Account. Franchisee shall acknowledge and agree that it has no reasonable expectation of privacy in the information and data communicated, stored or received using the Shoppe Email Account and consents to Bambu's monitoring of the Shoppe Email Account which can include intercepting, copying, printing or reading all email entering, leaving or stored in the Shoppe E-mail Account. Notwithstanding the foregoing, Franchisee's obligation to protect and maintain the confidentiality of Bambu's proprietary information (as described below in Section 21.3) shall not be diminished in any way by this Section 10.1.l.

m. **Pricing.** Unless prohibited by applicable law, Bambu may periodically set a maximum, minimum, or set price that Franchisee may advertise and charge for products and services offered by its Bambū shoppe. If Bambu establishes a maximum price for any products or programs, Franchisee shall not

offer or sell those products or programs at any greater price. If Bambu establishes a minimum price for any products or programs, Franchisee shall not offer or sell those products or programs at any lesser price. If Bambu establishes a set price for any products or programs, Franchisee must offer or sell those products or programs at that exact price. If Bambu does not establish pricing limits or set prices, it may establish suggested prices. In that case, any prices that Bambu recommends to Franchisee are merely recommendations and Franchisee may establish its own prices, which may be higher or lower than Bambu's recommended prices. Franchisee must abide by Bambu's advertising policies related to advertising prices. Bambu shall have no control over the day-to-day managerial operations of Franchisee's Bambū shoppe.

n. **Communication Authorization.** Franchisee expressly authorizes Bambu and its approved Suppliers to contact Franchisee and any Bambū Certified Team Leader by e-mail, telephone, mail, or any other means related to any aspect of the Bambū shoppe, authorized products, services and programs, this Agreement, or the Bambū franchise system, for so long as this Agreement remains in effect. Franchisee expressly authorizes Bambu to disclose Franchisee's and all Bambū Certified Team Leader's contact information to Bambu's approved and designated Suppliers to enable such Suppliers to contact Franchisee. Franchisee acknowledges that these communications are necessary to facilitate and keep Franchisee updated regarding the ongoing franchise relationship.

## 10.2 **Required Purchases**

a. **Inventory.** Prior to commencement of the shoppe's operation, and throughout the term of this Agreement, Franchisee shall purchase and stock the shoppe with products, menu items, ingredients of menu items and merchandise in such mix and quantities sufficient to meet customer demand, in compliance with Bambu's standards and specifications as may be described in the FRC Materials and only from Suppliers as may be designated or approved by Bambu. Bambu requires Franchisee to make purchases of specific products, items and merchandise from Bambu, Bambu's affiliates, or Bambu's designated Suppliers, some of which may be private labeled with the Marks, and may require Franchisee to make purchases of other specific products, items and merchandise from Bambu, Bambu's affiliates, or Bambu's designated Suppliers in the future. Franchisee acknowledges that the brand's acceptance is based on the quality of the products used in the shoppe and that Bambu requires only approved or designated products be used in order to maintain both quality and consistency throughout the Bambū system.

b. **Limitation on Supply Obligations.** Delivery of products as may be purchased from Bambu or its affiliates is subject to and conditioned upon availability. Nothing in this Agreement shall be construed by Franchisee to be a promise or guarantee as to the continued availability of a particular product sold by Bambu or its affiliated companies, nor shall any provision herein imply or establish an obligation on the part of Bambu and its affiliates to sell products to Franchisee if Franchisee is in arrears on any payment to Bambu, its affiliates or a third party supplier, or otherwise in default under this Agreement. Bambu may require payments to be made at time of order or in cash on delivery ("COD"). If Franchisee is in arrears on any payment to Bambu, its affiliates or a third party supplier, is in default under this Agreement or is otherwise not in compliance with the terms and conditions imposed by Bambu, its affiliates or any third party supplier for the purchase of any products or items, Bambu or its affiliates may discontinue selling or permitting the purchase through the account of Bambu or its affiliates of any products or other items to Franchisee and may place the account of Franchisee on hold and cease (directly or through third party suppliers) the delivery of products already ordered and not yet paid for. Bambu and its affiliates shall also be entitled to interest, late fees (in accordance with Section 12.5 below) and to recover their reasonable attorneys' fees from Franchisee in connection with any legal action, arbitration or other proceeding brought by them to collect amounts owed by Franchisee for purchases of products and other items from or through Bambu or its affiliates.

c. **No Product Warranties.** The products purchased by Franchisee from Bambu or its affiliated companies shall be subject only to manufacturers' warranties. BAMBU AND ITS AFFILIATED COMPANIES MAKE NO WARRANTIES, EXPRESS OR IMPLIED, REGARDING MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF ANY OF THE PRODUCTS PURCHASED BY FRANCHISEE.

d. **Changes in Products.** It is understood that Bambu and its affiliates shall have the right, at any time and without notice, to add items to, or withdraw items from, the list of products, menu items or ingredients thereof; to add to or delete from the list of approved Suppliers of products and items; to revise any products and items; and to change the prices, discounts, or terms of sale of any products or items, provided, however, no such changes in prices, discounts or terms shall affect accepted orders pending with Bambu and its affiliates at the time of change.

**10.3 Credit Card Services.** Franchisee must accept credit and debit cards from customers of its Bambū shoppe for all transactions in any amount. Franchisee shall notify Bambu of the credit card merchant service provider Franchisee intends to use in the operation of the Bambū shoppe and obtain Bambu's written approval which approval will not be unreasonably withheld. The Payment Card Industry ("PCI") requires all companies that process, store, or transmit credit or debit card information to protect the cardholders' information by complying with the PCI Data Security Standard ("PCI DSS"). Therefore, Franchisee shall be PCI compliant by following and adhering to then-current PCI DSS, currently found at [www.pcisecuritystandards.org](http://www.pcisecuritystandards.org), or any similar or subsequent standard for the protection of cardholder data throughout the term of this Agreement. Franchisee's Bambū shoppe shall be in compliance with PCI DSS at all times.

**10.4 Electronic Funds Transfer.** Franchisee authorizes Bambu and its affiliates to initiate debit entries and credit entries to Franchisee's checking, savings or other account for the payment of the Royalty Fee (defined in [Section 12.1](#)), payment of the Marketing and Technology Fee (defined in [Section 12.2](#)), the purchase of equipment and inventory, and any other amounts due from Franchisee under this Agreement or otherwise. Contemporaneously with the execution of this Agreement and thereafter within five days of receipt of any written request from Bambu, Franchisee shall execute and return to Bambu an additional authorization agreement for prearranged payments with account and other information to ensure the authorization agreement is current and valid. Bambu may require Franchisee to pay amounts due under this Agreement or otherwise by means in addition to or other than electronic funds transfer and Franchisee agrees to comply with Bambu's payment instructions.

## 11. RELOCATION

Franchisee may not relocate the Franchised Location without Bambu's prior written consent. Any approved new locations shall not be within any other Bambū shoppe's protected area, however. If Bambu consents to the relocation, Franchisee must pay a relocation fee in the amount set forth in Attachment I upon approval of the new Franchised Location, which will include similar new Bambū shoppe operations support, including up to two site visits and three days of additional training support as determined by Bambu. All other terms and conditions of this Agreement shall remain in full force and effect. Franchisee acknowledges that Bambu has earned the relocation fee upon receipt thereof, and that the fee is under no circumstances refundable to Franchisee after it is paid, unless otherwise specifically set forth in this Agreement.

## 12. CONTINUING FEES AND PAYMENTS

**12.1 Royalty Fee.** Franchisee shall pay to Bambu, in addition to all other fees due hereunder, a continuing royalty fee in the amount set forth in Attachment I ("**Royalty Fee**"). Franchisee acknowledges

that Bambu is entering into this Agreement with the expectation that it will receive the Royalty Fees over the full term of this Agreement.

**12.2 Marketing and Technology Fee.** Franchisee shall contribute to a marketing and technology fund established by Bambu (“**Marketing and Technology Fund**”) a fee in the amount set forth in Attachment I (“**Marketing and Technology Fee**”). The Marketing and Technology Fee is subject to annual increases on 90 days’ written notice to Franchisee.

**12.3 Payment Terms.** The minimum Royalty Fee and the Marketing and Technology Fee shall be payable on or after the 1<sup>st</sup> day of the month following the month Franchisee commences operations of its Bambū shoppe. On or before the 3<sup>rd</sup> day of each month, Bambu shall compute the actual Royalty Fee based on Franchisee’s POS System sales records for the prior month’s sales. Bambu will notify Franchisee if any additional Royalty Fee is due prior to withdrawal, which will occur on or about the 5<sup>th</sup> day of the month.

Franchisee hereby authorizes Bambu to initiate debit entries to Franchisee’s checking or savings account and authorizes any depository of such accounts to debit such accounts for the payment of the Royalty Fees, Marketing and Technology Fees, and other amounts owed by Franchisee to Bambu arising from or relating to this Agreement. Bambu reserves the right to require the Royalty Fee or the Marketing and Technology Fee payments be made on a weekly or bi-weekly basis if Franchisee does not timely or fully submit the required payment or maintain a sufficient amount in its accounts to permit Bambu to initiate a debt entry of amounts then due. Notwithstanding any designation by Franchisee, Bambu shall have sole discretion to apply any payments by Franchisee, and any amounts received by Bambu on Franchisee’s behalf from third party vendors or customers to any of Franchisee’s past due indebtedness to Bambu for the Royalty Fee, the Marketing and Technology Fee, purchases from Bambu or its affiliates, interest or any other indebtedness. Franchisee acknowledges that Bambu has the right to set-off any amounts Franchisee may owe to Bambu against any amounts Bambu might owe to Franchisee.

**12.4 Net Revenues Defined.** The term “**Net Revenues**” shall mean the total gross revenue derived by Franchisee from the operation of its Bambū shoppe, whether from sales for cash or credit, and irrespective of the collection thereof, including sales of both merchandise and services, but exclusive of all sales taxes, use taxes, gross receipts taxes, and other similar taxes added to the sales price and collected from the customer, and less any bona fide refunds, rebates, and discounts.

**12.5 Late Payments.** In the event that Franchisee fails to have sufficient funds in its account or otherwise fails to pay the Marketing and Technology Fee, Royalty Fee, or other payments due to Bambu as of the date due, Franchisee shall owe in addition to the Marketing and Technology Fee, Royalty Fee, or other amounts due, interest at the highest applicable legal rate for open account credit, not to exceed 1½ percent per month. Franchisee acknowledges that this Section 12.5 shall not constitute Bambu’s or its affiliates’ agreement to accept such payments after they are due or a commitment to extend credit to or otherwise finance operations of the shoppe. In no event shall Franchisee be required to pay interest at a rate greater than the maximum interest rate permitted by applicable law. Bambu reserves the right to automatically assess Franchisee a monthly \$50 late charge for any Marketing and Technology Fee payment, Royalty Fee payment, or other payment due under this Agreement which is not timely paid, which late fee shall be due and payable in full upon demand.

**12.6 Nonrefundable Fees.** Except as specifically contemplated in this Agreement, all fees once paid, shall be nonrefundable in all circumstances.

## 13. ADVERTISING

**13.1 Approval of Advertising.** Franchisee shall obtain Bambu's prior written approval of all written advertising or other marketing or promotional programs or materials regarding the Bambū shoppe, including, without limitation, online directory or search engine advertising, newspaper ads, flyers, brochures, magazines, coupons, direct mail pieces, specialty and novelty items, and radio, television, social media materials and videos, and in-shoppe advertising. Franchisee shall also obtain Bambu's prior written approval before using any promotional materials that vendors may provide. The proposed written or electronic advertising or a description of the marketing or promotional program shall be submitted to Bambu at least 30 days prior to publication, broadcast or use. Bambu may withhold its approval of advertising in its sole discretion. Franchisee acknowledges that advertising and promoting the Bambū shoppe in accordance with Bambu's standards and specifications is an essential aspect of the Bambū system, and Franchisee agrees to comply with all advertising standards and specifications. Franchisee shall display all required promotional materials, signs, point of purchase displays and other marketing materials in its Bambū shoppe and in the manner prescribed by Bambu.

**13.2 Local Advertising.** Franchisee shall conduct local advertising to create public awareness of Franchisee's Bambū shoppe. Franchisee shall obtain Bambu's prior written approval of all advertising and promotional materials before publication.

**13.3 Marketing and Technology Fund.**

a. Bambu will deposit the Marketing and Technology Fees in the Marketing and Technology Fund. The Marketing and Technology Fund will be administered by Bambu. Bambu shall direct all advertising and marketing programs financed by the Marketing and Technology Fund, with sole discretion over the creative concepts, materials and endorsements used therein, geographic, market and media placement and allocation, and the administration thereof. Franchisee agrees that the Marketing and Technology Fund may be used to pay the costs of researching, preparing, maintaining, administering and directing advertising and promotional materials and public relations programs, including production of commercial print, radio, television, magazine, newspaper, Internet advertising, direct response literature, direct mailings, brochures, collateral materials advertising, surveys of advertising effectiveness, advisory council expenses, convention expenses, social media marketing, and other advertising or public relations expenditures, for any international, national, or regional media. The Marketing and Technology Fund may also be used to pay for the expenses related to researching, developing, implementing, servicing, and operating any technology used in any manner related to the Bambū franchise system or Bambū shoppes, including any technologies utilized in or related to Bambu's website, search engine optimization, reporting of information for Bambū shoppes, the equipment used in Bambū shoppes, and Bambū shoppe computer systems (collectively, the "**Technology**"). Bambu may reimburse itself from the Marketing and Technology Fund for administrative costs, including the salaries of public relations personnel or persons administering the advertising services, the salaries of persons providing services related to any Technology, preparation of advertising materials, market research, independent audits, collection of the Marketing and Technology Fees, administration of the advisory council, accounting, bookkeeping, reporting and legal expenses, taxes and all other reasonable direct or indirect expenses that Bambu or its authorized representatives incur with the programs funded by the Advertising and Technology Fund. Bambu may use outside advertising agencies with personal and/or inside personnel or affiliates to provide advertising services for the Marketing and Technology Fund.

b. Upon the written request of Franchisee, Bambu will make available to Franchisee, no later than 60 days after the end of each fiscal year, an unaudited financial statement which indicates how the Marketing and Technology Fund has been spent in the prior year.



c. The Marketing and Technology Fund shall be accounted for separately from Bambu's other funds and shall not be used to defray any of Bambu's general operating expenses, except for such reasonable administrative costs, salaries and overhead as Bambu may incur in activities related to the administration of the Marketing and Technology Fund and its marketing programs, including, without limitation, conducting market research, preparing material, incurring related accounting and legal expenses, collecting and accounting for Marketing and Technology Fund contributions and all costs and expenses related to the Advisory Council, if any. Bambu may spend in any fiscal year an amount greater or less than the aggregate contribution of all Bambū shoppes to the Marketing and Technology Fund in that year and the Marketing and Technology Fund may borrow from Bambu or other lenders to cover deficits or cause the Marketing and Technology Fund to invest any surplus for future use. The Marketing and Technology Fund may be incorporated or operated through an entity separate from Bambu at such time as Bambu deems appropriate, and such successor entity shall have all rights and duties of Bambu pursuant to this Section 13.3.

d. Franchisee understands and acknowledges that the Marketing and Technology Fund is intended to maximize recognition of the Marks and patronage of all Bambū shoppes. Although Bambu will endeavor to utilize the Marketing and Technology Fund to develop advertising and marketing materials and programs and to place advertising that will benefit all Bambū shoppes, Bambu undertakes no obligation to ensure that expenditures by the Marketing and Technology Fund in or affecting any geographic area are proportionate or equivalent to the contributions by Bambū shoppes operating in that geographic area or that any Bambū shoppe will benefit directly from or in proportion to its contribution to the development of advertising and marketing materials or the placement of advertising. The Marketing and Technology Fund is not a trust fund, and Bambu does not owe Franchisee a fiduciary duty with respect to the maintenance, direction or administration of the Marketing and Technology Fund. Except as expressly provided in this Section 13.3, Bambu assumes no direct or indirect liability or obligation to Franchisee with respect to the maintenance, direction or administration of the Marketing and Technology Fund.

e. Bambu reserves the right to terminate the Marketing and Technology Fund, upon 30 days' written notice to Franchisee. All unspent monies on the date of termination shall be distributed to Bambu's franchisees in proportion to their respective contributions to the Marketing and Technology Fund during the preceding 12-month period. Bambu shall have the right to reinstate the Marketing and Technology Fund upon the same terms and conditions set forth herein upon 30 days' prior written notice to Franchisee.

**13.4 Regional Advertising Programs.** Bambu reserves the right, upon 30 days prior written notice to Franchisee, to create a regional advertising association ("Co-op") for the benefit of Bambū franchisees located within a particular geographic area. If a Co-op is established for the area where Franchisee is located, Franchisee will be required to participate in the Co-op for the purpose of selecting and participating in regional marketing and promotion programs for Bambū shoppes, which programs and other Co-op activities are subject to the approval of Bambu. Franchisee will be required to remain a member of and be bound by the decisions of the majority of the members of the Co-op regarding expenditures, assessments and dues of the Co-op, to the extent that they are approved by Bambu. Each Co-op has the right, by majority vote, to require its members to pay monthly dues to the Co-op. The failure of Franchisee to participate in the Co-op or pay any dues required by the Co-op, may be deemed to be a breach of this Agreement. Bambu has the right, in its sole discretion, to determine the composition of all geographic territories and market areas for the implementation of such regional advertising and promotional campaigns and to require that Franchisee participate in such regional advertising programs as and when they may be established by Bambu. Bambu has the right, in its sole discretion, to form, change and dissolve the Co-op. If a regional advertising program is implemented on behalf of a particular region by Bambu, Bambu, to the extent reasonably calculable, will only use contributions from Bambū franchisees within such region for the particular regional advertising program. Bambu reserves the right to seek reimbursement from the Co-op for reasonable administrative costs, salaries and overhead as Bambu may incur in activities related to the implementation and administration of the Co-op and marketing programs. Bambu also reserves the right

to establish an advertising cooperative for a particular region to enable the cooperative to self-administer the regional advertising programs.

**13.5 Initial Marketing and Promotional Campaign.** Franchisee shall conduct an initial marketing and promotional program for the Bambū shoppe at or around the time that the shoppe opens. Franchisee's initial marketing and promotional campaign will utilize the marketing and public relations programs and media and advertising materials that Bambu has developed or that Bambu otherwise approves. In Bambu's sole discretion, it may provide a grand opening program administered by a public relations company at or shortly after Franchisee has had its soft opening. Franchisee must budget, prepare an initial marketing plan, and spend a minimum of \$5,000 for an initial opening marketing, public relations, and promotional program.

**13.6 Electronic Advertising.** Franchisee shall not develop, create, distribute, disseminate or use any Internet advertising or website, social media or networking account, or any multimedia, telecommunication, mass electronic mail, facsimile or audio/visual advertising, promotional or marketing materials, directly or indirectly related to the Bambū shoppe, the Marks, or the Bambū system ("**Electronic Advertising**") without Bambu's prior written consent which may be withheld in Bambu's sole discretion. Bambu shall retain the exclusive right to develop and control the content of all Electronic Advertising for the Bambū shoppes. Franchisee acknowledges that Bambu shall own all Electronic Advertising related to or associated with the Marks and Bambū system including, without limitation, databases of customer email addresses and other customer information. Franchisee shall set up all social media accounts Bambu recommends, including utilizing a standardized third-party social media management technology. Bambu requires Franchisee to participate in certain designated Electronic Advertising programs and Franchisee agrees to do so in strict compliance with Bambu's policies and rules regarding the creation, maintenance, use and content of such Electronic Advertising as set forth in this Agreement, the FRC Materials or an Electronic Advertising code of conduct that Bambu may develop, disseminate and modify from time to time.

**13.7 Loyalty Rewards and Other Promotional Programs.** Except as prohibited or limited by law, Franchisee shall fully participate in all promotional campaigns, prize contests, customer loyalty rewards programs, special offers, discount programs, social media programs, and other programs, whether international, national, regional, or local in nature (including the introduction of new products or services or other marketing programs directed or approved by Bambu), which are prescribed from time to time by Bambu. Franchisee shall participate in Bambu's customer loyalty rewards program and be responsible for the costs of such participation. In addition, Franchisee shall honor any coupons, customer loyalty rewards program points or credits, discounts, or other authorized promotional offers of Bambu at Franchisee's sole cost unless otherwise specified in writing by Bambu. Franchisee acknowledges that Bambu frequently implements such promotions intended to increase customer awareness and build business on an international, national, regional, or local level, and Franchisee's participation in these promotions is essential to their success. Franchisee acknowledges that Bambu has no obligation to reimburse Franchisee for the costs associated with participating in these promotions. From time to time a promotion may not benefit all franchisees in the Bambū system; and if the promotion is not offered in the region, or another unknown hardship arises, Bambu may, at Bambu's option, exempt Franchisee and/or other franchisees on a case-by-case basis. Franchisee must follow the guidelines provided by the designated provider of any of these programs and the guidelines set forth in the FRC Materials with respect to Franchisee's obligations and responsibilities under the program (which may include a requirement to purchase related equipment and software), the methods of operation for the program, the transaction information Franchisee is required to provide to Bambu and the retention of complete and accurate books and records regarding transactions made pursuant to a program.

## 14. QUALITY CONTROL

**14.1 Compliance with FRC Materials.** Franchisee shall maintain and operate the Bambū shoppe in compliance with this Agreement and the mandatory standards and specifications contained in the FRC Materials, as the same may be modified from time to time by Bambu.

**14.2 Standards and Specifications.** Bambu will make available to Franchisee standards and specifications for the menu items, products and services offered at or through the Bambū shoppe and for the Franchised Location, equipment, menus, including ingredients and nutritional information, finishes, counter, POS System, loyalty rewards program equipment, logoed paper products, uniforms, insurance, advertising materials, equipment, certain supplies and other items used in connection with the shoppe. Bambu reserves the right to change standards and specifications for products and services offered at or through the Bambū shoppe and for the Franchised Location, equipment, menus, food, paper products, employee attire, supplies, advertising material and other items used in connection with the shoppe, upon 10 days prior written notice to Franchisee. Franchisee shall, throughout the term of this Agreement, remain in compliance and strictly adhere to all of Bambu's current quality, compliance and operations standards and specifications for the Bambū shoppe as prescribed from time to time.

**14.3 Inspections.** Bambu shall have the right to visit, inspect and conduct operational facility reviews of the Franchised Location, including the inventory, products, equipment, materials, supplies or programs used or sold there, to ensure compliance with all standards and specifications set by Bambu. Bambu shall conduct such inspections and reviews during regular business hours and Franchisee may be present at such inspections. Bambu, however, reserves the right to conduct the inspections without prior notice to Franchisee.

**14.4 Restrictions on Products and Programs.** Franchisee is prohibited from offering or selling any products or programs not authorized by Bambu as being a part of the Bambū system. If Franchisee proposes to offer, conduct or utilize any products, materials, items, supplies or programs for use in connection with or sale through the Bambū shoppe which are not previously approved by Bambu as meeting its specifications, Franchisee shall first notify Bambu in writing requesting approval. Bambu may, in its sole discretion, for any reason whatsoever, elect to withhold such approval; however, in order to make such determination, Bambu may require submission of specifications, information, or samples of such products, programs, materials, forms, items or supplies. Franchisee shall pay the reasonable costs of investigation in determining whether such products, materials, items or supplies meet its specifications. Bambu will advise Franchisee within a reasonable time whether such products, programs, materials, forms, items or supplies meet its specifications.

**14.5 Approved or Designated Suppliers.** Franchisee shall purchase all products, equipment, materials, supplies and programs required for the operation of the Bambū shoppe from Bambu, from Bambu's designated affiliates, or from Suppliers designated or approved by Bambu. If there is no designated or approved Supplier for a particular product, piece of equipment, ingredient, food item, supply, material or program, Franchisee shall propose, for prior written approval by Bambu, such other suppliers who meet all of Bambu's specifications and standards as to quality, composition, finish, appearance and service, and who shall adequately demonstrate their capacity and ability to supply Franchisee's needs in the quantities, at the times, and with the reliability requisite to an efficient operation of the Bambū shoppe. Bambu reserves the right to derive revenue from Franchisee's purchases of food items, products or programs, whether the purchase is from Bambu, Bambu's affiliate or another designated or approved source and irrespective of whether a formal purchase or buying arrangement has been established. Franchisee must execute any agreement as may be reasonably required by a Supplier and establish the appropriate credit terms with it.

**14.6 Request to Approve Supplier.** In the event Franchisee desires to purchase or use inventory, products, equipment, supplies, materials, services or programs from suppliers other than those previously approved by Bambu, Franchisee shall, prior to purchasing from or otherwise utilizing any supplier give Bambu a written request to approve the supplier. In the event Bambu rejects Franchisee's requested new supplier, Bambu must, within 60 days of the receipt of Franchisee's request to approve the supplier notify Franchisee in writing of its rejection. Bambu may continue from time to time to inspect any suppliers' facilities and products to assure compliance with Bambu's standards and specifications. Permission for such inspection shall be a condition of the continued approval of such supplier. Bambu may in its sole discretion elect to withhold approval of the supplier for any reason it determines, including for purposes of protecting its trade secrets or on the basis of the terms offered to Bambu itself or its franchisees from the proposed supplier compared to any current designated or approved supplier. In order to make such determination, Bambu may require that samples from a proposed new supplier be delivered to Bambu for testing prior to approval and use. Bambu may impose a charge equal to \$150 per hour per each representative of Bambu involved in the testing and investigation of a proposed new supplier request, and Franchisee shall also be required to pay the reasonable costs incurred by Bambu in connection with the testing and investigation.

**14.7 Shopping Service.** Bambu reserves the right to use third party shopping services from time to time to evaluate the conduct of Franchisee's Bambu shoppe, including such things as inventory, customer service, cleanliness, merchandising and proper use of computers and registers. Bambu may use such shopping services to inspect Franchisee's Bambu shoppe at any time at Bambu's expense, without prior notification to Franchisee. Bambu may make the results of any such service evaluation available to Franchisee, in Bambu's sole discretion.

## 15. MARKS, TRADE NAMES AND PROPRIETARY INTERESTS

**15.1 Marks.** Franchisee acknowledges that Bambu has the sole right to own, license and control Franchisee's use of the "BAMBŪ®" service mark and other of the Marks, and that such Marks shall remain under the sole and exclusive ownership and control of Bambu. Franchisee acknowledges that it has not acquired any right, title or interest in such Marks except for the right to use such marks in the operation of its Bambu shoppe as it is governed by this Agreement. Except as permitted in the FRC Materials, Franchisee shall not use any of the Marks as part of an electronic mail address, or on any sites on the Internet and Franchisee shall not use or register any of the Marks as part of a domain name on the Internet.

**15.2 No Use of Other Marks.** No service mark other than "BAMBŪ®" or such other Marks as may be specified by Bambu shall be used in the identification, marketing, promotion or operation of the Bambu shoppe.

**15.3 Bambu system.** Franchisee acknowledges that Bambu owns and controls the distinctive plan for the establishment, operation and promotion of the Bambu shoppe and all related Bambu system of doing business, previously defined as the "**Bambu system**", which include, but are not limited to, Bambu's standards and specifications for the franchised site, premises, leasehold improvements, interior finish, equipment, supplies, materials, inventory type and control, technical equipment standards, order fulfillment methods, customer relations, marketing techniques, written promotional materials, advertising, accounting systems, drink and food item preparation information, menu items, food preparation methods and any applicable food handler requirements and safety standards, all of which constitute confidential trade secrets of Bambu. Franchisee acknowledges that Bambu has valuable rights in and to such trade secrets. Franchisee further acknowledges that it has not acquired any right, title or interest in the Bambu system except for the right to use the Bambu system in the operation of the Bambu shoppe as it is governed by this Agreement and that it is obligated to maintain the confidentiality of the Bambu system in accordance with Section 21.3 below.

**15.4 Mark Infringement.** Franchisee shall notify Bambu in writing of any possible infringement or illegal use by others of a trademark the same as or confusingly similar to the Marks which may come to its attention. Franchisee acknowledges that Bambu shall have the right, in its sole discretion, to determine whether any action will be taken on account of any possible infringement or illegal use. Bambu may commence or prosecute such action in Bambu's own name and may join Franchisee as a party to the action if Bambu determines it to be reasonably necessary for the continued protection and quality control of the Marks and Bambū system. Bambu shall bear the reasonable cost of any such action, including attorneys' fees. Franchisee must fully cooperate with Bambu in any such litigation.

**15.5 Franchisee's Business Name.** Franchisee acknowledges that Bambu and affiliates of Bambu have a prior and superior claim to the "Bambū" trade name. Franchisee shall not use the word "Bambū" or words that are confusingly similar, in the legal name of its corporation, partnership, limited liability company or any other business entity used in conducting the business provided for in this Agreement. Franchisee also agrees not to register or attempt to register a trade name using the word "Bambu," "Bambū," or words that are confusingly similar, in Franchisee's name or that of any other person or business entity, without prior written consent of Bambu. Franchisee shall not hold itself out as "Bambu Franchising LLC," "Chè," "Bambu Dessert Drinks," "Bambu," "Bambū," or as being associated with Bambu in any manner other than as a franchisee or licensee or as being associated with any affiliate of Bambu and shall comply with the terms of Section 20.1. Franchisee shall, in all advertising and promotion and promotional materials, display its business name only in obvious conjunction with the phrase "Bambū Licensee" or "Bambū Franchisee" or with such other words and in such other phrases to identify itself as an independent owner of the Bambū shoppe, as may from time to time be prescribed in the FRC Materials.

**15.6 Change of Marks and Bambū system.** Bambu may in its sole discretion, discontinue, change, modify or alter the Marks and the Bambū system by, among other things, adopting or developing new trademarks, trade names, service marks, copyrighted materials, new products, drink and food item preparation information or recipes, new equipment, new signage or new operational techniques ("**Alterations**"). If Bambu shall make any Alterations to the Marks or Bambū system, Franchisee shall, within a reasonable time after receipt of written notice of such Alteration from Bambu, take such action, at Franchisee's sole expense, as may be necessary to comply with such required Alteration. Franchisee shall not unilaterally change, alter or modify the Marks or Bambū system in any way without Bambu's prior written consent which may be withheld in Bambu's sole discretion. Franchisee's approved changes or improvements to the Bambū system or the Marks shall inure to the exclusive benefit of Bambu.

**15.7 Creative Ownership.** All copyrightable or patentable works, and all discoveries, developments, designs, improvements, inventions or other information of a proprietary nature created by Franchisee or any of its owners, officers or employees in connection with the shoppe, including but not limited to any enhancements or improvements in the Bambū system, shall be the sole property of Bambu. Franchisee shall assign, or cause its owner, officer or employee to assign, all proprietary rights, including copyrights, in these works to Bambu without additional consideration. Franchisee hereby assigns and will execute (or will cause its owner, officer or employee to assign and execute) such additional assignments or documentation to effectuate the assignment of all intellectual property, inventions, drink and food item preparation information, recipes, copyrights, trademarks and trade secrets developed in part or in whole in relation to the shoppe, during the term of this Agreement, as Bambu may deem necessary in order to enable it, at its expense, to apply for, prosecute and obtain copyrights, patents, trademarks or other proprietary rights in the United States and in foreign countries or in order to transfer to Bambu all right, title, and interest in said property. Franchisee shall promptly disclose to Bambu all inventions, drink and food item preparation information, recipes, discoveries, improvements, creations, patents, copyrights, trademarks and confidential information relating to the shoppes and the Bambū system which it or any of its owners, officers or employees has made or may make solely, jointly or commonly with others and shall promptly create a written record of the same.

**15.8 Protection of Marks.** Bambu may, in its sole discretion but with reasonable notice to Franchisee, enter into the Franchised Location to make any Alteration required for the protection of the Marks and Bambū system, including but not limited to the signs, furniture, fixtures, trade dress of the shoppe, if Franchisee refuses to make any Alteration required by the FRC Materials or under the terms of this Agreement. If Bambu elects to make such Alteration on Franchisee's behalf, Bambu reserves the right to charge Franchisee for all expenses incurred by Bambu in connection with such Alteration including Bambu's travel, lodging, and meal expenses, telephone charges and other identifiable expenses (such as construction and materials), plus a fee based on the time spent by each of Bambu's employees or agents on behalf of Franchisee.

**15.9 Business Records.** Franchisee acknowledges and agrees that Bambu owns all records ("Business Records") with respect to customers and employees of, and/or related to, Franchisee's Bambū shoppe; including, without limitation, all databases (whether in print, electronic or other form) with customer and potential customers, names, addresses, phone numbers, email addresses, and customer purchase records, and all other records contained in the database. Franchisee further acknowledges and agrees that, at all times during and after the termination, expiration or cancellation of this Agreement, Bambu may access such Business Records, and may utilize, transfer, or analyze such Business Records as Bambu determines to be in the best interest of the Bambū system, in Bambu's sole discretion.

## **16. REPORTS, RECORDS AND FINANCIAL STATEMENTS**

**16.1 Franchisee Reports.** Franchisee shall establish and maintain, at its own expense, bookkeeping, accounting and data processing systems which accurately reflect the conduct of business at the Franchised Location. Bambu reserves the right to require that Franchisee provide access to or copies of certain data upon reasonable request. Franchisee shall supply to Bambu such types of reports in a manner and form as Bambu may from time to time reasonably require including without limitation daily, weekly or monthly reports of inventory and sales by category.

**16.2 Records Use and Access.** Bambu reserves the right to disclose data derived from all financial operational reports received from Franchisee, without identifying Franchisee except to the extent identification of Franchisee is required by law. Franchisee consents to Bambu obtaining information regarding the shoppe and its operations from third parties with whom Franchisee does business, as and when deemed necessary by Bambu.

**16.3 Verification.** Each report to be submitted to Bambu pursuant to this Agreement shall be signed manually or electronically, as the case may be, and verified by Franchisee if so requested by Bambu.

**16.4 Books and Records.** Franchisee shall maintain all books and records for its Bambū shoppe, and shall preserve these records as required by any applicable rule, regulation or statute. Any reports, books, records or financial information provided by Franchisee to its landlord or the landlord's agent shall also be provided to Bambu simultaneously.

**16.5 Records Review.** If Franchisee is required to provide any financial records of the Bambū shoppe to any landlord, lender, or other third party pursuant to the terms of any lease, loan agreement, or other agreement, whether written or oral, then Franchisee shall provide to Bambu a copy of those records at the same time they are provided to the third party.

**16.6 Financial Performance Data and Use.** Franchisee shall submit to Bambu current financial statements and other reports as Bambu may request to evaluate or compile research and performance data on any operational aspect of its Bambū shoppe. Bambu may also pull this data from other reports and information provided by Franchisee hereunder. Franchisee authorizes Bambu to utilize this information to

prepare a financial performance representation, to release this information as necessary to substantiate any financial performance representation made by Bambu, to share such information in summary form as Bambu deems necessary or desirable to share with other franchisees at any annual convention or other franchise business meetings, or in any other manner and with any other parties that Bambu deems appropriate without obtaining any further written consent of Franchisee. All financial information transmitted by Franchisee to Bambu pursuant to this Agreement shall be owned by Bambu as part of the Business Records as defined in Section 15.9 above, with no duty on the part of Bambu to account to Franchisee with respect to the use and exploitation of the same.

## 17. TRANSFER

**17.1 Transfer by Franchisee.** The franchise granted herein is personal to Franchisee and, except as stated below, Franchisee shall not transfer, assign, sub-franchise or convey this Agreement or any interest hereunder nor purport to do so without Bambu's prior written consent which consent will not be unreasonably withheld. Franchisee acknowledges that prior to approving any transfer, Bambu may impose reasonable conditions on Franchisee and its purported transferee in addition to those conditions listed in Section 17.2. As used in this Agreement, the term "**transfer**" shall mean and include the voluntary, involuntary, direct or indirect assignment, sale, gift or other disposition by Franchisee (or any of its owners) of any interest in: (1) this Agreement; (2) the ownership of Franchisee; or (3) the shoppe or any assets of the shoppe. The term "**transfer**" shall also mean and include any change in Franchisee resulting from a divorce, insolvency, corporate or partnership dissolution proceeding, merger, change of control, those transfers described in Sections 17.4 and 17.6, by operation of law or, in the event of the death of Franchisee, or an owner of Franchisee by will, declaration of or transfer in trust or under the laws of intestate succession.

**17.2 Pre-Conditions to Franchisee's Transfer.** Franchisee shall not transfer its rights under this Agreement or any interest in it, or any part or portion of any business entity that owns it or all or a substantial portion of the assets of the Bambu shoppe, unless: (1) the shoppe has already opened for business and has been operating for at least 30 days; and (2) Franchisee obtains Bambu's written consent and complies with all of the following requirements:

a. Payment of all amounts due and owing pursuant to this Agreement by Franchisee to Bambu or its affiliates or to third parties holding a security interest in any asset of the franchised business and Franchisee is otherwise in full compliance with this Agreement.

b. Agreement by the proposed transferee to satisfactorily complete the Training Program described in this Agreement, which training may be completed by the transferee either prior to or immediately after assignment of this Agreement.

c. Execution of a Franchise Agreement (for the same type of franchise as granted by this Agreement or an equivalent type then offered as determined by Bambu) and any ancillary documents, such as the Guaranty and Assumption of Franchisee's Obligations and Nondisclosure and Noncompetition Agreement, in a form then currently offered and required by Bambu, which shall supersede this Agreement in all respects. If a new Franchise Agreement is signed, the terms thereof may differ substantially from the terms of this Agreement; provided, however, the transferee will not be required to pay any additional initial franchise fee.

d. Provision by Franchisee of written notice to Bambu 30 days prior to the proposed effective date of the transfer, such notice to contain information reasonably detailed to enable Bambu to evaluate the terms and conditions of the proposed transfer.

e. The proposed transferee shall have provided information to Bambu sufficient for Bambu to assess the proposed transferee's business experience, aptitude and financial qualification, and Bambu shall have ascertained that the proposed transferee meets such qualifications.

f. Execution by Franchisee of a general release, in a form satisfactory to Bambu, of any and all claims against Bambu, its affiliates and their respective officers, directors, members, managers, employees and agents.

g. Payment by Franchisee or the proposed transferee of a transfer fee ("**Transfer Fee**") in the amount set forth in Attachment I. The Transfer Fee covers the training for up to two representatives of transferee. Bambu reserves the right to charge Franchisee its then current rate for training any additional representatives of transferee.

h. Agreement by Franchisee to abide by the post-termination covenant not to compete set forth in Section 21.2 below.

i. If so requested by Bambu, Franchisee, at its expense, shall upgrade the shoppe to conform to the then current standards and specifications of new shoppes then-being established pursuant to the Bambū system, and shall complete upgrading and other requirements within the time specified by Bambu.

j. The transferor shall remain liable for all of the obligations to Bambu in connection with the shoppe that arose prior to the effective date of the transfer, and any covenants that survive the termination or expiration of this Agreement, and shall execute any and all instruments reasonably requested by Bambu to evidence such liability.

**17.3 Bambu's Approval of Transfer.** Bambu has 30 days from the date of the written notice of the proposed transfer to approve or disapprove in writing, of Franchisee's proposed transfer. Franchisee acknowledges that the proposed transferee shall be evaluated for approval by Bambu based on the same criteria as is then currently being used to assess new franchisees of Bambu and that such proposed transferee shall be provided, if appropriate, with such pre-transfer disclosures as may be required by state or federal law. Bambu's consent to one transfer shall not constitute consent or approval to any subsequent transfer.

**17.4 Specific Types of Transfers.** Franchisee acknowledges that Bambu's right to approve or disapprove of a proposed sale or transfer, and all other requirements and rights related to such proposed sale or transfer, as provided for above, shall apply (1) if Franchisee is a partnership or other business association, to the addition or deletion of a partner or members of the association or the transfer of any partnership or membership among existing partners or members; (2) if Franchisee is a corporation or limited liability company, to any proposed transfer or assignment of 15 percent or more of the ownership interests of Franchisee, whether such transfer occurs in a single transaction or several transactions and whether such transfer involves then issued and outstanding shares of stock or other ownership interest or newly issued shares or other ownership interest; and (3) if Franchisee is an individual, to the transfer from such individual or individuals to a corporation or other entity controlled by them, in which case Bambu's approval will be conditioned upon: (i) the continuing personal guarantee of the individual (or individuals) for the performance of obligations under this Agreement; (ii) a limitation on the corporation's or other entities' business activity to that of operating the Bambū shoppe and related activities; and (iii) other reasonable conditions. With respect to a proposed transfer as described in subsection (1) and (3) of this Section, Bambu will waive any transfer fee chargeable to Franchisee for a transfer under these circumstances.

**17.5 Assignment by Bambu.** This Agreement is fully assignable by Bambu and shall inure to the benefit of any assignee or other legal successor in interest, and Bambu shall in such event be fully released from the same.



**17.6 Franchisee's Death or Disability.** Upon the death or permanent disability of Franchisee (or the individual controlling Franchisee entity), the executor, administrator, conservator, guardian or other personal representative of such person shall transfer Franchisee's interest in this Agreement or such interest in Franchisee entity to a third party approved by Bambu. Such disposition of this Agreement or such interest (including, without limitation, transfer by bequest or inheritance) shall be completed within a reasonable time, not to exceed 180 days from the date of death or permanent disability, and shall be subject to all terms and conditions applicable to transfers contained in this Article 17. Failure to transfer the interest in this Agreement or such interest in Franchisee entity within said period of time shall constitute a breach of this Agreement. For the purposes hereof, the term "**permanent disability**" shall mean a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent Franchisee or the owner of a controlling interest in Franchisee entity from supervising the management and operation of the Bambū shoppe for a period of 120 days from the onset of such disability, impairment or condition. In any event, there shall at all times be a Bambū Certified Team Leader designated to be responsible for the management of the shoppe on a full time basis who has complied with all of Bambu's training requirements, regardless of any death or disability covered in this Section.

**17.7 Public or Private Offering.** Franchisee acknowledges that the written information used to raise or secure funds can reflect upon Bambu and the franchise system. Franchisee agrees to submit any written information intended to be used for that purpose to Bambu at least 30 days before inclusion in any registration statement, prospectus or similar offering memorandum. Should Bambu object to any reference to Bambu, its affiliates, or the business of Bambu in the offering literature or prospectus, the literature or prospectus shall not be used until the objections are withdrawn. Notwithstanding the foregoing, Franchisee acknowledges and agrees that Franchisee may not engage in a public offering of securities without the prior written consent of Bambu, which may be withheld for any reason at Bambu's discretion.

## 18. TERM AND EXPIRATION

**18.1 Term.** The term of this Agreement is for a period of 10 years from the date of this Agreement, unless sooner terminated as provided herein. Franchisee agrees to operate the Bambū shoppe for the entire term of this Agreement.

**18.2 Continuation.** If for any reason, Franchisee continues to operate the shoppe beyond the term of this Agreement or any subsequent successor franchise period, it shall be deemed to be on a month-to-month basis under the terms of this Agreement and subject to termination upon 30 days' written notice or as required by law. If said holdover period exceeds 90 days, this Agreement is subject to immediate termination unless applicable law requires a longer period. Upon termination after any hold-over period, Franchisee and those in active concert with Franchisee, including family members, officers, directors, partners and managing agents, are subject to the terms of Sections 19.3, 21.2 and 21.3 of this Agreement and all other applicable post-termination obligations contained in this Agreement.

**18.3 Rights Upon Expiration.** At the end of the initial term hereof Franchisee may acquire successor franchise rights for an additional term (provided Bambu does not refuse to offer a successor franchise in accordance with Section 18.5 below), if Franchisee complies with all of the following:

a. At least 30 days prior to expiration of the term, executes the form of Franchise Agreement then in use by Bambu (for the same type of franchise as granted by this Agreement or an equivalent type then offered as determined by Bambu), which may have terms substantially different than those set forth in this Agreement.

b. Has complied with all provisions of this Agreement during the current term, including the payment on a timely basis of all franchise fees, Royalty Fees, Marketing and Technology Fees, inventory

purchases, and other fees due hereunder. “**Compliance**” shall mean, at a minimum, that Franchisee has not received any written notification from Bambu of breach hereunder more than 3 times during the term hereof.

c. Upgrades and/or remodels the Bambū shoppe and its operations at Franchisee’s sole expense (the necessity of which shall be in the sole discretion of Bambu) to conform with the then current FRC Materials including, without limitation, shoppe facility and trade dress standards, or at the option of Franchisee, secure a substitute premises approved by Bambu and developed by Franchisee according to the Bambū system then applicable for Bambū shoppes.

d. You, your Bambū Certified Team Leaders and such other persons that Bambu may require, attend and successfully complete any additional training imposed by Bambu.

e. Executes a successor franchise rider in the form designated by Bambu which contains a general release of any and all claims against Bambu and its affiliates, and their respective officers, directors, employees and agents arising out of or relating to this Agreement.

f. Pays a successor franchise fee (“**Successor Franchise Fee**”) to Bambu concurrently with the execution of the successor franchise agreement in the amount set forth in Attachment I.

**18.4 Exercise of Option for Successor Franchise.** Franchisee may exercise its option for a successor franchise by giving written notice of such exercise to Bambu not more than 270 nor less than 180 days prior to the scheduled expiration of this Agreement. Franchisee’s successor franchise rights shall become effective by signing the Franchise Agreement then currently being offered to new franchisees of Bambu.

**18.5 Conditions of Refusal.** Bambu shall not be obligated to offer Franchisee a successor franchise upon the expiration of this Agreement if Franchisee fails to comply with any of the above conditions for acquiring successor franchise rights. In such event (except for failure to execute the then current Franchise Agreement or pay the Successor Franchise Fee), Bambu shall give Franchisee notice of expiration at least 180 days prior to the expiration of the term, and such notice shall set forth the reasons for such refusal to offer successor franchise rights. Upon the expiration of this Agreement, Franchisee shall comply with the provisions of Section 19.3 below.

## **19. DEFAULT AND TERMINATION**

**19.1 Termination by Bambu - Effective Upon Notice.** Bambu shall have the right, at its option, to terminate this Agreement and all rights granted Franchisee hereunder, without affording Franchisee any opportunity to cure any default (except where expressly indicated and subject to any state laws to the contrary, where state law shall prevail), effective upon notice to Franchisee upon the occurrence of any of the following events:

a. **Abandonment.** If Franchisee ceases to operate the Bambū shoppe or otherwise abandons the Bambū shoppe for a period of three consecutive days, or any shorter period that indicates an intent by Franchisee to discontinue operation of the Bambū shoppe. Franchisee’s suspension or termination of the shoppe’s operation due to fire, flood, earthquake, epidemic or pandemic, or force majeure shall not be deemed abandonment.

b. **Insolvency; Assignments.** If Franchisee becomes insolvent or is adjudicated a bankrupt; or if any action is taken by Franchisee, or by others against Franchisee under any insolvency, bankruptcy or reorganization act, (this provision may not be enforceable under federal bankruptcy law, 11 U.S.C. §§ 101 et seq.); or if Franchisee makes an assignment for the benefit of creditors or a receiver is appointed by Franchisee.

c. **Unsatisfied Judgments; Levy; Foreclosure.** If any material judgment (or several judgments which in the aggregate are material) is obtained against Franchisee and remains unsatisfied or of record for 30 days or longer (unless a supersedeas or other appeal bond has been filed); or if execution is levied against Franchisee's business or any of the property used in the operation of the Bambū shoppe and is not discharged within five days; or if the real or personal property of Franchisee's business shall be sold after levy thereupon by any sheriff, marshal or constable.

d. **Criminal Conviction.** If Franchisee, or any of its owners, managing members, or Bambū Certified Team Leaders (collectively "**Principals**"), is convicted of a felony, a crime involving moral turpitude, or any crime or offense that is reasonably likely, in the sole opinion of Bambu, to materially and unfavorably affect the Bambū system, Marks, goodwill or reputation thereof.

e. **Failure to Make Payments.** If Franchisee fails to pay any fees, inventory or supply payments, or any other amounts due Bambu or its affiliates, including any amounts which may be due as a result of any subleases or lease assignments between Franchisee and Bambu, within five days after notice to Franchisee that such fees or amounts are overdue.

f. **Misuse of Marks.** If Franchisee misuses or fails to follow Bambu's directions and guidelines concerning use of Bambu's Marks and fails to correct the misuse or failure within 48 hours after notification from Bambu.

g. **Unauthorized Disclosure.** If Franchisee intentionally or negligently discloses to any unauthorized person the contents of or any part of Bambu's FRC Materials or any other trade secrets or confidential information of Bambu.

h. **Violation of Restrictive Covenants.** If Franchisee, its affiliates, Principals or any individual subject to the Restrictive Covenants described in Article 21 intentionally or negligently violates those covenants.

i. **Repeated Noncompliance.** If Franchisee has received two previous notices of default from Bambu and is again in default of this Agreement within a 12-month period, regardless of whether the previous defaults were cured by Franchisee.

j. **Unauthorized Transfer.** If Franchisee sells, transfers or otherwise assigns the Franchise, an interest in the Franchise or Franchisee entity, this Agreement, the Bambū shoppe or a substantial portion of the assets of the Bambū shoppe owned by Franchisee without complying with the provisions of Article 17 above.

k. **Insufficient Funds Checks.** If Franchisee tenders to Bambu or its affiliated companies a no account or insufficient funds check as payment for amounts due two or more times during the term of this Agreement.

l. **Health and Safety.** If Franchisee operates the shoppe in a manner that imminently endangers the public health or safety including, without limitation, failure to comply with the terms and conditions of any mandatory ingredient or product recall promptly upon receipt of notice from Bambu or public health officials of such recall.

m. **Misrepresentations.** If Franchisee (or any of the owners of Franchisee) have made or make material representations or omissions in acquiring the franchise or operating the shoppe.

n. **Purchase from Unapproved Supplier.** If Franchisee purchases any products, equipment, materials, supplies and programs for use or sale in its Bambū shoppe from a supplier who has not been approved or designated by Bambu for such item and fails to cure the default within 48 hours after notification from Bambu.

o. **Failure to Maintain Standards or Comply with FRC Materials.** If Franchisee fails to maintain the then current operating procedures and adhere to the specifications and standards established by Bambu as set forth herein or in the then current FRC Materials or otherwise communicated to Franchisee, and fails to cure the default within 48 hours.

p. **Sexual Harassment or Discrimination.** Bambu receives credible evidence, which it verifies to its satisfaction, that Franchisee, any of its Principals, or any other management level employee of Franchisee, has sexually harassed or intimidated any individual or intentionally engaged in any racial, ethnic, religious, sexual, or other offensive discrimination against any individual or group.

q. **Executive Order 13224. Patriot Act.** Franchisee, or any officer, director, member, manager, or partner of Franchisee (as applicable), or any Principal, violates or becomes subject to United States Executive Order 13224 or The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the “**Patriot Act**”).

r. **Breach of Other Agreement.** Franchisee breaches the terms of any other agreement between Bambu and Franchisee and fails to cure said breach during any applicable cure period provided in the other agreement.

s. **Inadequate Guaranties.** Any guaranty of this Agreement fails to be a continuing obligation fully enforceable against the guarantor signing the guaranty, or there is any inadequacy of the guaranty or guarantor and the guarantor is unable to provide adequate assurances as required by Bambu.

t. **Filing Non-Compliant Legal Action.** Franchisee or any of the Franchisee Affiliates, as defined in **Section 23.1**, files or otherwise commences litigation, arbitration, or any other legal action against Bambu or any of the Bambu Affiliates, as defined in **Section 23.1**, that is not in compliance with the dispute resolution terms agreed upon in **Article 23** as may be modified by any applicable rider in **Attachment IV**, and fails to dismiss such action within seven days after notification from Bambu.

**19.2 Termination by Bambu - 30 Days’ Notice.** Bambu shall have the right to terminate this Agreement (subject to any state laws to the contrary, where state law shall prevail), effective upon 30 days’ written notice to Franchisee, if Franchisee breaches any provision of this Agreement other than those provisions listed in **Section 19.1** above and fails to cure the default during such 30-day period. In that event, this Agreement will terminate without further notice to Franchisee, effective upon expiration of the 30-day period. Defaults shall include, but not be limited to, any one the following:

a. **Deceptive Practices.** Franchisee engages in any unauthorized business or practice or sells any unauthorized product or service under Bambu’s Marks or under a name or mark which is confusingly similar to Bambu’s Marks.

b. **Failure to Obtain Consent.** Franchisee fails, refuses or neglects to obtain Bambu’s prior written approval or consent as required by this Agreement.

Notwithstanding the foregoing, if the breach is curable, but is of a nature which cannot be reasonably cured within such 30-day period and Franchisee has commenced and is continuing to make good faith efforts to cure the breach during such 30-day period, Franchisee shall be given an additional reasonable period of

time to cure the same, and this Agreement shall not automatically terminate without written notice from Bambu.

**19.3 Obligations of Franchisee Upon Termination or Expiration.** Franchisee is obligated upon termination or expiration of this Agreement to immediately:

a. Pay to Bambu all fees, inventory and supply purchases and other charges owed to Bambu or its affiliates pursuant to this Agreement, or pursuant to any other agreement, whether written or oral, including subleases and lease assignments, between the parties.

b. Cease to identify itself as a Bambū franchisee or publicly identify itself as a former Franchisee or use any of Bambu's trade secrets, signs, symbols, devices, trade names, trademarks or other materials.

c. Cease to identify the Franchised Location as being, or having been, associated with Bambu and, if deemed necessary by Bambu, paint or otherwise change the interior and exterior of the shoppe to distinguish it from a Bambū shoppe and immediately cease using any proprietary mark of Bambu or any mark in any way associated with the Mark and Bambū system or any mark confusingly similar to the Mark.

d. Deliver to Bambu all signs, sign-faces, advertising materials, forms and other materials bearing any of the Marks or otherwise identified with Bambu and obtained by and in connection with this Agreement.

e. Immediately deliver to Bambu the FRC Materials and all other information, software, documents and copies thereof which are proprietary to Bambu, including but not limited to all customer information contained in computer databases or otherwise.

f. Promptly take such action as may be required to cancel all fictitious or assumed names or equivalent registrations relating to its use of any Marks which are under the exclusive control of Bambu or, at the option of Bambu, assign the same to Bambu.

g. Notify the telephone company and all telephone directory publishers of the termination or expiration of Franchisee's right to use any telephone number and any regular, classified or other telephone directory listings associated with any Mark and to authorize transfer thereof to Bambu or its designee. Franchisee acknowledges that, as between Franchisee and Bambu, Bambu has the sole rights to and interest in all telephone, telecopy or facsimile machine numbers and directory listings associated with any Mark. Franchisee authorizes Bambu, and hereby appoints Bambu and any of its officers as Franchisee's attorney-in-fact, to direct the telephone company and all telephone directory publishers to transfer any telephone, telecopy or facsimile machine numbers and directory listings relating to the Bambū shoppe to Bambu or its designee, should Franchisee fail or refuse to do so, and the telephone company and all telephone directory publishers may accept such direction or this Agreement as conclusive of Bambu's exclusive rights in such telephone numbers and directory listings and Bambu's authority to direct their transfer.

h. If applicable, take such action as may be required to remove from the Internet all sites and social media accounts referring to Franchisee's former Bambū shoppe or any of the Marks and to cancel or assign to Bambu, in Bambu's sole discretion, all rights to any domain names for any sites on the Internet and social media accounts that refer to Franchisee's former Bambū shoppe or any of the Marks.

i. Abide by all restrictive covenants set forth in Article 21 of this Agreement.

**19.4 Bambu's Right to Suspend Services on Franchisee's Default.** If Bambu has provided Franchisee with a notice of any default pursuant to this Article 19, in addition to Bambu's other remedies, Bambu reserves the right, on behalf of itself and the Bambu Affiliates, to suspend any services to be provided by Bambu or any Bambu Affiliate or the sales of any products to Franchisee by Bambu or any Bambu Affiliate until such time as Franchisee cures the default. The services that may be suspended include but are not limited to any services related to advertising or promotion of Franchisee's Bambū shoppe such as the listing of Franchisee's Bambū shoppe on Bambu's website. The suspension may continue until Franchisee has cured each default identified in the default notice from Bambu and Franchisee is deemed to be in good standing. Bambu reserves the right to charge the Franchisee a fee to recover any internal and third party costs incurred by Bambu and associated with the default process including reinstating and certifying Franchisee's Bambū shoppe to reopen for business. Franchisee is not relieved of any obligation to pay any fees during the term of any suspension. The rights afforded to Bambu in this Section 19.4 are in addition to any other rights of Bambu upon a default by Franchisee.

**19.5 State and Federal Law.** THE PARTIES ACKNOWLEDGE THAT IN THE EVENT THAT THE TERMS OF THIS AGREEMENT REGARDING TERMINATION OR EXPIRATION ARE INCONSISTENT WITH APPLICABLE STATE OR FEDERAL LAW, SUCH LAW SHALL GOVERN THE FRANCHISEE'S RIGHTS REGARDING TERMINATION OR EXPIRATION OF THIS AGREEMENT.

## **20. BUSINESS RELATIONSHIP**

**20.1 Independent Businesspersons.** The parties acknowledge that each of them are independent businesspersons, that their only relationship is by virtue of this Agreement and that no fiduciary relationship is created hereunder. Neither party is liable or responsible for the other's debts or obligations, nor shall either party be obligated for any damages to any person or property directly or indirectly arising out of the operation of the other party's business authorized by or conducted pursuant to this Agreement. Neither Bambu nor Franchisee will hold themselves out to be the agent, employer or partner of the other and neither Bambu nor Franchisee has the authority to bind or incur liability on behalf of the other. All employees hired by or working for Franchisee shall be the employees of Franchisee and shall not, for any purpose, be deemed employees of Bambu or subject to Bambu's control. Neither this Agreement nor the course of conduct between Bambu and Franchisee is intended, nor may anything in this Agreement (or the course of conduct) be construed, to state or imply that Bambu is the employer of Franchisee's Authorized Representatives, or vice versa. Each of the parties agrees to file its own tax, regulatory and payroll reports with respect to its respective employees and operations. Notwithstanding any other provisions in this Agreement, Bambu shall not be responsible for supervising the activities of Franchisee's Bambū shoppe or ensuring that the Bambū shoppe is operated in compliance with applicable laws. Franchisee shall conspicuously post a notice in the shoppe identifying the Franchised Location as being individually owned and operated by Franchisee.

**20.2 Payment of Third Party Obligations.** Bambu shall have no liability for Franchisee's obligations to pay any third parties, including without limitation, any product vendors, or any sales, use, service, occupation, excise, gross receipts, income, property or other tax levied upon Franchisee, Franchisee's property, the Bambū shoppe or upon Bambu in connection with the sales made or business conducted by Franchisee (except any taxes Bambu is required by law to collect from Franchisee with respect to purchases from Bambu).

**20.3 Indemnification.** Franchisee shall indemnify, defend and hold harmless Bambu, its subsidiaries, parents and affiliates, and their respective shareholders, directors, officers, managers, members, employees, agents, successors and assignees (the "**Indemnified Parties**"), against, and to reimburse them for all claims, obligations and damages described in this Section 20.3, any and all third party obligations described in

Section 20.2 and any and all claims and liabilities directly or indirectly arising out of the operation of the Bambū shoppe or arising out of the use of the Marks and Bambū system in any manner not in accordance with this Agreement, including without limitation any claims alleging violations of any laws including labor and employment laws. For purposes of this indemnification, claims shall mean and include all obligations, actual and consequential damages and costs reasonably incurred in the defense of any claim against the Indemnified Parties, including, without limitation, reasonable accountants', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel, lodging, and meal expenses. This indemnification includes any claims arising from the acts or omissions of Franchisee's employees and agents. Bambu shall have the right to defend any such claim against it. This indemnity shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

## 21. RESTRICTIVE COVENANTS

**21.1 Non-Competition During Term.** Franchisee acknowledges that, in addition to the license of the Marks hereunder, Bambu has also licensed commercially valuable information which comprises and is a part of the Bambū system, including without limitation, operations, marketing, advertising and related information and materials and that the value of this information derives not only from the time, effort and money which went into its compilation, but from the usage of the same by all the franchisees of Bambu using the Marks and Bambū system. Therefore, other than the Bambū shoppe licensed herein or authorized by separate agreement with Bambu, neither Franchisee nor any of Franchisee's officers, directors, shareholders, members, managers or partners, nor any member of his or their immediate families, shall during the term of this Agreement:

- a. have any direct or indirect controlling interest as a disclosed or beneficial owner in a "Competitive Business" as defined below;
- b. perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business; or
- c. divert or attempt to divert any business related to, or any customer or account of the Bambū shoppe, Bambu's business or any other Bambū franchisee's business, by direct inducement or otherwise, or divert or attempt to divert the employment of any employee of Bambu or another franchisee licensed by Bambu to use the Marks and Bambū system, to any Competitive Business by any direct inducement or otherwise.

The term "**Competitive Business**" as used in this Agreement shall mean any business operating, or granting franchises or licenses to others to operate, a retail or wholesale business deriving more than 10 percent of its gross receipts from preparation of or sale of teas, fruit dessert drinks, coffee, or other products now or in the future offered or sold by Bambū shoppes. Notwithstanding the foregoing, Franchisee shall not be prohibited from owning securities in a Competitive Business if such securities are listed on a stock exchange or traded on the over-the-counter market and represent 5 percent or less of that class of securities issued and outstanding.

The term "**immediate family**" as used in this Article 21 shall mean and include any spouse, domestic partner, children, parents or siblings.

**21.2 Post-Termination Covenant Not to Compete.** Upon termination or expiration of this Agreement for any reason, Franchisee and its officers, directors, shareholders, members, managers and/or partners agree that, for a period of two years commencing on the effective date of termination or expiration, or the date on which Franchisee ceases to conduct business, whichever is later, neither Franchisee nor its officers,

directors, shareholders, members, managers and/or partners shall have any direct or indirect interest (through a member of any immediate family of Franchisee or its owners or otherwise) as a disclosed or beneficial owner, investor, partner, director, officer, member, employee, consultant, representative or agent or in any other capacity in any Competitive Business, defined in Section 21.1 above, located or operating within a 10 mile radius of the Franchised Location, within 10 miles of any other franchised Bambū shoppe or, within 10 miles of any company or affiliate owned Bambū shoppe. If Franchisee or any of the affiliated parties breaches this Section, the two-year period shall start on the date that such person is enjoined from competing or stops competing, whichever is later. Franchisee and its officers, directors, shareholders, members, managers and/or partners acknowledge that they possess skills and abilities of a general nature and have other opportunities for exploiting such skills. Consequently, enforcement of the covenants made in this Section will not deprive them of their personal goodwill or ability to earn a living. If the restrictions concerning the time duration, geography, affected individuals or entities, or breadth of activity contained in Sections 21.1 and 21.2 are held to be unenforceable under any applicable law, the arbiter of any dispute regarding this Agreement is hereby authorized to and shall make only such limited changes as are necessary to make the restrictions enforceable.

**21.3 Confidentiality of Proprietary Information.** Franchisee and Bambu acknowledge that the distinctive business format, plans, operating methods, ingredients and cooking recipes, drink and food item preparation information, menu, workflow processes, marketing systems, manuals, product formulas, trademarks, proprietary marks and information and know-how of Bambu which are developed and utilized in connection with the Bambū system are proprietary and confidential (“**Confidential Information**”). Such Confidential Information is unique, exclusive property and a trade secret of Bambu and has valuable goodwill associated with it. Franchisee acknowledges that any unauthorized disclosure or use of the Confidential Information would be wrongful and would cause irreparable injury and harm to Bambu. It is understood that Confidential Information is deemed to include, without limitation, drink and food item preparation information, ingredients and cooking recipes, menus, food preparation techniques and methods, customer and loyalty member lists, vendor lists, any and all information contained in the FRC Materials, and any information of whatever nature which gives Bambu and its affiliates an opportunity to obtain an advantage over its competitors who do not have access to, know or use such techniques, methods, lists, written materials or information. Franchisee further acknowledges that Bambu has expended a great amount of effort and money in obtaining and developing the Confidential Information, that it would be very costly for competitors to acquire or duplicate the Confidential Information and that any unauthorized disclosure of such Confidential Information shall cause irreparable harm to Bambu. Consequently, Franchisee shall not at any time, publish, disclose, divulge or in any manner communicate to any person, firm, corporation, association, partnership or any other entity whatsoever or use, directly or indirectly, for its own benefit or for the benefit of any person, firm, corporation or other entity other than for the use of Bambu or Franchisee’s shoppe, any of the Confidential Information of Bambu or its affiliates. Bambu and Franchisee agree that the Confidential Information does not include information that is generally available to the public.

**21.4 Confidentiality Agreements.** Bambu reserves the right to require that Franchisee cause each of its officers, directors, partners, shareholders, members, managers, and employees (including employed Bambū Certified Team Leaders) who have access to the Confidential Information, and their immediate family members, to execute and submit to Bambu a Nondisclosure and Noncompetition Agreement containing the above restrictions, in a form approved by Bambu containing the restrictive covenants of this Agreement. If Bambu requires any immediate family member to execute a Nondisclosure and Noncompetition Agreement subsequent to the execution of this Agreement by Franchisee, Franchisee must use its best efforts to cause that immediate family member to execute the Nondisclosure and Noncompetition Agreement. Franchisee will provide to Bambu a copy of each Nondisclosure and Noncompetition Agreement signed by any such individual immediately following its execution and thereafter upon Bambu’s request.



**21.5 Non-Disparagement.** Franchisee agrees that it shall not take any action or make any statements to any third parties that would constitute a criticism, denigration or disparagement of Bambu or its Bambū system or would tend to be injurious to the reputation or goodwill of Bambu or its Marks, or which in any manner may interfere with the business affairs or business relations of Bambu.

**21.6 Interpretation.** All parties to this Agreement acknowledge that this Article has been fully negotiated and has been entered into freely. This Article shall not be interpreted against either party as drafter.

**21.7 Claims Are Not Defenses to Covenants.** Franchisee expressly agrees that the existence of any claim it may have against Bambu, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Bambu of the covenants of this Article 21. Franchisee further agrees that Bambu shall be entitled to set off from any amount owed by Bambu to Franchisee any loss or damage to Bambu resulting from Franchisee's breach of this Article 21.

## 22. INSURANCE

**22.1 Insurance Coverage.** Franchisee shall procure and maintain the types of insurance as set forth in the FRC Materials or other writings provided by Bambu, with the limits prescribed in the FRC Materials or other writings provided by Bambu. All of the required policies of liability insurance shall name Bambu, together with any third parties required by Bambu to be named, as additional named insureds and shall provide for a 30-day advance written notice to Bambu of cancellation. Bambu has the right to change the types of insurance Franchisee is required to maintain and the minimum amount of insurance Franchisee is required to maintain by giving Franchisee 60 days' prior notice.

**22.2 Proof of Insurance Coverage.** Franchisee will provide certificates or other acceptable proof of insurance to Bambu prior to commencement of operations at its Bambū shoppe or upon any changes in the required insurance required by Bambu. New certificates evidencing renewal of insurance shall be furnished at least 30 days prior to the date of expiration of each policy. These certificates or such other proof provided must show that the insurer has been authorized to inform Bambu in the event any policies lapse or are cancelled. Additionally, within five business days of any request by Bambu, Franchisee shall deliver a copy of all insurance policies to Bambu for examination. Noncompliance with the insurance provisions set forth herein shall be deemed a material breach of this Agreement; in the event of any lapse in insurance coverage, in addition to all other remedies, Bambu shall have the right to demand that Franchisee cease operations of the Bambū shoppe until coverage is reinstated, or, in the alternative, pay any delinquencies in premium payments and charge the same back to Franchisee.

## 23. DISPUTE RESOLUTION

**23.1 Arbitration.** All controversies, disputes claims, causes of action and/or alleged breaches or failures to perform between Bambu, its subsidiaries and affiliated companies, and/or its or their shareholders, members, managers, officers, directors, agents, employees and attorneys, in their representative capacity (collectively, the "**Bambu Affiliates**"), on the one side, and Franchisee, and its affiliated companies and/or its or their Bambū Certified Team Leaders, employees, officers, directors, owners, and/or guarantors (collectively, the "**Franchisee Affiliates**"), on the other side, if applicable, arising out of or related to: (1) this Agreement; (2) the relationship of the parties; (3) the validity of this Agreement; or (4) any Bambū system will be submitted for binding arbitration to either the Judicial Arbitrator Group ("**JAG**") or the American Arbitration Association ("**AAA**"), as selected by the party submitting the demand; except for actions brought which are related to or based on the Marks or to enforce the provisions of Article 21 of this Agreement, which actions Bambu, at its option, may bring either in a court of competent jurisdiction or in arbitration. Notwithstanding the language above, if the action is based on a separate

agreement or instrument between Franchisee or any of the Franchisee Affiliates and Bambu or any of the Bambu Affiliates, such as a promissory note or lease, the dispute resolution procedure in that agreement or instrument will control rather than this Section 23.1; provided, that, at Bambu's sole option, any claim of Bambu or any Bambu Affiliates against Franchisee or any of the Franchisee Affiliates based on such other agreement or instrument may be brought in arbitration in conjunction with a dispute between the parties that is subject to arbitration under this Section, regardless of any provisions to the contrary contained in that other agreement or instrument. Arbitration proceedings will be conducted in Denver, Colorado and will be heard by one arbitrator in accordance with the then current rules of the AAA that apply to commercial arbitration. The decision as to whether a claim is subject to mandatory arbitration shall be made by an arbitrator, not a court, except that the decision whether the arbitration may proceed as a class action shall be made by a court. The arbitrator shall be a resident of the State of Colorado knowledgeable of Colorado law and fluent in English. The arbitration proceeding and all other hearings shall be conducted in English only, although Franchisee shall have the right, at Franchisee's option and sole expense, to have a translator present at the proceeding or other hearings. The expense of a translator shall not be considered a cost or expense related to an action pursuant to Section 24.6 of this Agreement. The parties further agree that, in connection with any such arbitration proceeding, each will file any compulsory counterclaim, as defined by Rule 13 of the Federal Rules of Civil Procedure, within 30 days after the date of the filing of the claim to which it relates. Any party to an arbitration proceeding may apply to the arbitrator for reasonable discovery from the other. In this Agreement, "reasonable discovery" means a party may submit no more than 10 interrogatories, including subparts, 25 requests for admission, 25 document requests, and three depositions per side of the dispute. The foregoing discovery rights and limitations shall control over any contradictory discovery rules of AAA, unless the parties agree otherwise.

**23.2 Arbitration Award.** Subject to Sections 23.6 and 23.8 below, the arbitrator will have the right to award or include in the award any relief available and appropriate under the applicable law (as set forth in Section 23.5) and this Agreement. Any award shall be based on established law and shall not be made on broad principles of justice and equity. The award and decision of the arbitrator will be conclusive and binding upon all parties hereto and judgment upon the award may be entered in any court of competent jurisdiction. This Section will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

**23.3 Limitations on Proceedings.**

a. Bambu and Franchisee agree that arbitration will be conducted on an individual basis only. Neither party shall commence any arbitration with a third party against the other, or join with any third party in any arbitration involving Bambu and Franchisee other than the Bambu Affiliates and the Franchisee Affiliates. Further, neither Bambu nor Franchisee shall attempt to consolidate or otherwise combine in any manner an arbitration proceeding involving Bambu and Franchisee with another arbitration of any kind, nor shall Bambu or Franchisee attempt to certify a class or participate as a party in a class action against the other.

b. The foregoing notwithstanding, in the event Franchisee controls, is controlled by or is in active concert with another franchisee, distributor, or developer of Bambu, or there is a guarantor of some or all of the Franchisee's obligations to Bambu, then the joinder of those parties to any arbitration between Bambu and Franchisee shall be permitted, and in all events, the joinder of an owner, director, officer, manager, partner or other representative or agent of Franchisee shall be permitted.

c. Franchisee agrees that no claims may be brought on its behalf or on behalf of any of the Franchisee Affiliates by any third party, including but not limited to any association representing Franchisee.

**23.4 Injunctive Relief.** Notwithstanding anything to the contrary contained in this Article 23, Bambu and Franchisee will each have the right in a proper case to obtain temporary or preliminary injunctive relief from a court of competent jurisdiction. Each party agrees that the other party may have such temporary or preliminary injunctive relief, without bond, but upon due notice, and with the sole remedy in the event of the entry of such injunctive relief being the dissolution of such injunctive relief, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of such injunction being expressly waived by each party). Any such action will be brought as provided in Section 23.5 below.

**23.5 Governing Law/Consent to Jurisdiction/Waiver of Jury Trial.** The United States Federal Arbitration Act shall govern all questions about the enforceability of Sections 23.1 and 23.2, and the confirmation of any arbitration awards pursuant to such procedures, and no arbitration issues are to be resolved pursuant to any other statutes, regulations or common law. Otherwise, except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or applicable International trademark law, this Agreement shall be interpreted under the laws of the State of Colorado U.S.A. and any dispute between the parties shall be governed by and determined in accordance with the internal substantive laws, and not the laws of conflict, of the State of Colorado U.S.A., which laws shall prevail in the event of any conflict of law. Notwithstanding the foregoing, the parties agree that the Colorado Consumer Protection Act (COLO. REV. STAT. ANN. Sections 6-1-101, et seq.) shall not apply to this Agreement or any disputes between the parties. Franchisee and Bambu have negotiated regarding a forum in which to resolve any disputes that arise between them and have agreed to select a forum in order to promote stability in their relationship. Therefore, if a claim is asserted in any legal proceeding not subject to mandatory arbitration, as specified in Section 23.1 above, involving Franchisee and/or the Franchisee Affiliates, on the one side, and Bambu and/or the Bambu Affiliates, on the other side, both parties agree that the exclusive venue for disputes between them shall be in the state and federal courts of Colorado U.S.A., and each waive any objection either may have to the personal jurisdiction of or venue in the state and federal courts of Colorado U.S.A. Notwithstanding the foregoing, any legal proceeding by Bambu or any Bambu Affiliate not subject to mandatory arbitration may be brought in any court of competent jurisdiction in the country, state, province, or other geographic area in which Franchisee's shoppe is located or in which Franchisee or any Franchisee Affiliate resides or owns assets. **IF A CLAIM MAY BE BROUGHT IN COURT, THEN BAMBU, THE BAMBU AFFILIATES, FRANCHISEE AND THE FRANCHISEE AFFILIATES EACH WAIVE THEIR RIGHTS TO A TRIAL BY JURY.**

**23.6 No Punitive or Consequential Damages.** Except for Franchisee's obligation to indemnify Bambu under Section 20.3 above, as specifically permitted elsewhere in this Agreement, or as may be required by statute, neither Bambu or any of the Bambu Affiliates, on the one side, nor Franchisee or any of the Franchisee Affiliates, on the other side, shall be liable to the other for punitive, consequential, or other damages not measured by the other party's actual damages, in any action between the parties.

**23.7 Limitation on Actions.** Notwithstanding anything contained in this Agreement to the contrary, any and all claims and actions arising out of or relating to this Agreement, the relationship between Franchisee and Bambu, or Franchisee's operation of the Bambu shoppe shall be commenced within one year from the occurrence of the facts giving rise to the claim or action.

**23.8 No Recourse.** Franchisee agrees that its sole recourse for claims (whether in contract or in tort, in law or in equity, or granted by statute) arising between the parties shall be against Bambu or its successors and assigns. Franchisee agrees that the shareholders, directors, officers, employees, managers, members, and agents of Bambu and its affiliates (the "**Nonparty Affiliates**") shall not be personally liable nor named as a party in any action between Bambu and Franchisee. To the maximum extent permitted by law, Franchisee waives any such claims against such Nonparty Affiliates.

## 24. MISCELLANEOUS PROVISIONS

### 24.1 Modification.

a. This Agreement may only be modified upon execution of a written agreement between Bambu and Franchisee or, at Bambu's option, upon notice of the approval of a Super-Majority as defined in Section 24.1.b below. Unless prohibited by law or waived by Bambu, Franchisee must provide a general release of any and all claims against Bambu if Franchisee requests and Bambu consents to modify any provisions of this Agreement after it has been signed.

b. This Agreement may be modified by Bambu at its option whenever Bambu and a Super-Majority, as hereinafter defined, of franchisees and licensees of Bambu agree to any such modification. A "**Super-Majority**" of Bambu franchisees or licensees shall consist of the owners of at least 75 percent of all Bambū shoppe franchises and licenses, or, if only a portion of Bambū shoppes are affected by the modification, at least 75 percent of those Bambū shoppe franchises and licenses affected by the modification. Whenever a modification is approved by a Super-Majority, Bambu may elect to treat the modification as effective to all franchisees and licensees or the applicable group thereof, including Franchisee, to the same extent and in the same manner as if the modification was unanimously approved by them, and regardless of whether Franchisee may or may not desire to be bound by the modification. Bambu shall provide Franchisee with notice of any modification to this Agreement based on a Super-Majority approval at least 30 days prior to the date such modification is to be effective. By signing this Agreement, Franchisee appoints the officers of Bambu as its attorneys in fact with irrevocable power and authority to execute any such modification so approved.

c. Franchisee acknowledges that Bambu may modify its standards and specifications and operating, marketing, and other policies and procedures set forth in the FRC Materials unilaterally under any conditions and to the extent in which Bambu, in its sole determination, deems necessary or desirable. These modifications may include regional and local variations. Franchisee shall be bound by and incorporate into its shoppe these modifications. Franchisee may be obligated to invest additional capital in Franchisee's shoppe and incur higher operating costs based on these periodic modifications.

d. Bambu has the right to vary the franchise agreement and any standards, specifications, and techniques for a particular Bambu franchisee based on the circumstances related to the franchisee, its area or territory, or any other condition. Franchisee shall not be entitled to require Bambu to grant Franchisee a similar variation.

**24.2 Entire Agreement.** This Agreement, including all attachments and addenda, contains the entire agreement between the parties and supersedes any and all prior agreements concerning the subject matter hereof. Franchisee acknowledges that it has not relied on any verbal representations or commitments made prior to the execution hereof and agrees that Bambu will not be liable or obligated for any claims of negligent or fraudulent misrepresentation based on any such verbal representations or commitments. Bambu does not authorize and will not be bound by any representation of any nature other than those expressed in this Agreement and in the most recent Franchise Disclosure Document ("**FDD**") provided to Franchisee by Bambu or its representatives in connection with this Agreement. Franchisee further acknowledges and agrees that no representations have been made to it by Bambu regarding projected sales volumes, market potential, revenues, profits of Franchisee's Bambū shoppe, or operational assistance other than as stated in this Agreement and in the most recent FDD provided to Franchisee by Bambu.

**24.3 Delegation by Bambu.** From time to time, Bambu shall have the right to delegate the performance of any portion or all of its obligations and duties hereunder to third parties, whether the same are agents of Bambu or independent contractors which Bambu has contracted with to provide such services. Franchisee

agrees in advance to any such delegation by Bambu of any portion or all of its obligations and duties hereunder.

**24.4 Effective Date.** This Agreement shall not be effective until accepted by Bambu as evidenced by dating and signing by an officer or manager of Bambu.

**24.5 Review of Agreement.** Franchisee acknowledges that it had a copy of this Agreement in its possession for a period of time not less than 14 calendar days or 10 full business days, whichever is required under applicable law, during which time Franchisee has had the opportunity to submit same for professional review and advice of Franchisee's choosing prior to freely executing this Agreement.

**24.6 Attorneys' Fees.** In the event of any dispute between the parties to this Agreement, in addition to all other remedies, the non-prevailing party in any legal action, arbitration or other proceeding shall pay the prevailing party all amounts due and all damages, costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in such action or other proceeding.

**24.7 No Waiver.** No delay, waiver, omission or forbearance of any option, condition or covenant contained in this Agreement or failure to exercise a right or remedy by Bambu or Franchisee shall be considered to imply or constitute a further waiver by Bambu or Franchisee of the same or any other option, condition, covenant, right or remedy. Subsequent acceptance by Bambu of any payments due to it hereunder shall not be deemed to be a waiver by Bambu of any preceding breach by Franchisee of any terms, provisions, covenants or conditions of this Agreement.

**24.8 No Right to Set Off.** Franchisee shall not be allowed to set off amounts owed to Bambu for Marketing and Technology Fees, Royalty Fees, other fees or amounts due hereunder, against any monies owed to Franchisee, nor shall Franchisee in any event withhold such amounts due to any alleged nonperformance by Bambu hereunder, which right of set off is hereby expressly waived by Franchisee.

**24.9 Invalidity.** In the event that any arbitrator or court of competent jurisdiction determines that any provision of this Agreement, including but not limited to any of the restrictive covenants contained in Article 21 hereof, are unenforceable as written for any reason, including for purposes of the restrictive covenants, reasons that the areas of restriction exceed the reasonable maximum time period, geographic area or scope, then the parties hereby request and authorize the arbitrator or court to "blue pencil" such provision so as to make it enforceable and to best carry out the intent of the parties, or to deem such provision severed from this Agreement if it cannot be so modified. The holding, declaration or pronouncement shall not adversely affect any other provisions of this Agreement, which shall otherwise remain in full force and effect.

**24.10 Notices.** All notices required to be given under this Agreement shall be given in writing, by certified mail, return receipt requested, or by an overnight delivery service providing documentation of receipt, to Franchisee at the address set forth below its signature on the signature page hereto, to Bambu at the address set forth at the start of this Agreement, or at such other addresses as Bambu or Franchisee may designate from time to time, and shall be effectively given when deposited in the United States mail, postage prepaid, or when received via overnight delivery, as may be applicable.

**24.11 Survival of Provisions.** Any provisions that by their terms extend beyond termination or expiration of this Agreement shall continue in full force and effect subsequent to and notwithstanding the termination or expiration of this Agreement.

**24.12 Payment of Taxes.** Franchisee shall reimburse Bambu, or its affiliates and designees, promptly and when due, the amount of any state sales taxes, use taxes, personal property taxes and similar taxes

imposed upon, required to be collected or paid by Bambu, or its affiliates or designees, on account of services or goods furnished by Bambu, its affiliates or designees, to Franchisee through sale, lease or otherwise (except for any taxes Bambu or its affiliates are required by law to collect from Franchisee with respect to products purchased from Bambu and its affiliates), or on account of collection by Bambu of the franchise fee, or any other payments made by Franchisee to Bambu required under the terms of this Agreement.

**24.13 Cumulative Rights.** The rights and remedies of Bambu and Franchisee hereunder are cumulative and no exercise or enforcement by Bambu or Franchisee of any right or remedy hereunder shall preclude the exercise or enforcement by Bambu or Franchisee of any other right or remedy hereunder which Bambu or Franchisee is entitled by law to enforce.

**24.14 Approvals.** Whenever this Agreement requires the prior approval or consent of Bambu, Franchisee shall make a timely written request to Bambu therefore, and such approval or consent must be obtained in writing.

**24.15 Force Majeure.** Bambu will not be liable to Franchisee, nor will Bambu be deemed to be in breach of this Agreement, if it exercises best efforts to perform its obligations as may be due to Franchisee hereunder, and its failure to perform its obligations results from: (1) transportation shortages, inadequate supply of labor, material or energy, or voluntarily foregoing the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or instruments of any federal, state, provincial, or municipal government or any department or agency thereof; (2) compliance with any law, ruling, order, regulation, requirement or instruction of any federal, state, provincial, or municipal government or any department or agency thereof; (3) viral or bacterial epidemic, pandemic, or other public health crisis; (4) acts of God; or (5) fires, strikes, terrorism, embargoes, war or riot. Any delay resulting from any of these causes will extend performance by Bambu accordingly or excuse performance by Bambu in whole or in part, as may be necessary.

**24.16 Cross-Default and Cross Termination Provisions.**

a. A default by Franchisee under this Agreement will be deemed a default of all agreements between Franchisee and/or any company(ies) affiliated with Franchisee, on the one hand, and Bambu and/or any company(ies) affiliated with Bambu, on the other hand (the “**Other Agreements**”). A default by Franchisee and/or any company(ies) affiliated with Franchisee under any of the Other Agreements will be deemed a default under this Agreement. A default by any guarantor(s) of this Agreement or of any of the Other Agreements will be deemed a default of this Agreement.

b. If this Agreement is terminated as a result of a default by Franchisee, Bambu may, at its option, elect to terminate any or all of the Other Agreements. If any of the Other Agreements is terminated as a result of a default by Franchisee and/or any company(ies) affiliated with Franchisee, Bambu may, at its option, elect to terminate this Agreement. It is agreed that an incurable or uncured default under this Agreement or any of the Other Agreements will be grounds for termination of this Agreement and/or any and all of the Other Agreements without additional notice or opportunity to cure.

**24.17 Charges and Taxes.** All provisions in this Agreement stating that Franchisee will pay or be responsible for any costs, charges, or taxes includes all customs or duty charges, foreign currency purchase levies, import and export fees and levies, and other similar costs, charges and taxes.

**24.18 Translations.** If Franchisee is required to translate any advertising materials or any other materials related to the Bambu shoppe to use them in the Protected Territory, it will do so in accordance with the terms of Bambu’s current form of translation agreement. Bambu shall have the right to copyright the

translated or adapted materials in any other country or territory, and shall own the United States and all foreign copyrights of all translations, adaptations and/or derivative versions of the materials and shall have the right to market the materials, including the translated or adapted versions of the materials in any manner Bambu might choose in all countries of the world.

**24.19 Approval Within Protected Area.** Any approval of this Agreement by the appropriate authorities in the Protected Area that is required to enable Franchisee to enter into this Agreement, perform under the terms of this Agreement, do business with Bambu, or make payments to Bambu in United States Dollars in the United States of America will be the sole responsibility and at the sole expense of Franchisee.

**24.20 Manner of Payment.** All references in the Agreement to the term “Dollars” or the symbol “\$” refers to United States Dollars, and all payments made to Bambu, unless otherwise noted, must be paid in United States Dollars net of any taxes or withholdings. The exchange rate for calculating payments due will be the exchange rate published in The Wall Street Journal the day the payment is due. If, for any reason whatsoever, a payment that is due to Bambu under this Agreement is not paid on the date that such payment is due, the exchange rate to be used shall be either the exchange rate published on the due date or the exchange rate published on the date that the payment is actually made, whichever results in a greater amount to Bambu. If The Wall Street Journal is not published on the date of conversion, the applicable exchange rate will be that rate published in The Wall Street Journal on the nearest date of publication prior to the date of conversion or by a successor or equivalent publication to be designated by Bambu in the event The Wall Street Journal ceases to be published or ceases to publish the applicable exchange rates. Bambu may designate and change payment instructions at any time on prior written notice to Franchisee. Franchisee shall be solely responsible for the payment of any costs and charges incurred in connection with the transfer and exchange of currency over and above any fees due or paid.

**24.21 Translation of Agreement.** The English language will be regarded as the authoritative and official text of this Agreement; however, this Agreement may be translated into the language in dominant use in the Protected Area, at Franchisee’s expense, in the event that translation is necessary for any reason, including for the purpose of registration of this Agreement with the applicable governmental authority. Nevertheless, in the event that any discrepancies exist between the English text and the translated text, the English text will be considered the official text of this Agreement.

**24.22 Incorporation of Riders.** To the extent that any of the Riders to Franchise Agreement for Specific States or Provinces attached as Attachment IV is applicable, such rider is incorporated herein and this Agreement is modified accordingly. The provisions in any applicable rider are included as a condition to registration or use in certain jurisdictions, and Bambu is not precluded from contesting the validity, enforceability, or applicability of such provisions in any action relating to this Agreement or its rescission or termination.

**24.23 Counterparts and Electronic Signature.** This Agreement and all riders and addenda hereto may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but such counterparts shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement, any riders or addenda hereto, and any other agreements entered into with Bambu by facsimile or in electronic format shall be effective as delivery of a manually executed counterpart of this Agreement or such other document. The words “execution”, “signed”, “signature”, and words of similar meaning in this Agreement shall be deemed to include electronic or digital signatures or the keeping of records in electronic form, each of which shall be of the same effect, validity, and enforceability as manually executed signatures or a paper-based recordkeeping system to the extent and as provided for under applicable laws.

**24.24 No Warranties or Guarantees.** Franchisee acknowledges and agrees that Bambu makes no warranties or guarantees upon which Franchisee may rely, and assumes no liability or obligation to Franchisee, by providing any waiver, approval, consent, or suggestion in connection with this Agreement, or by reason of any neglect, delay, or denial of any request therefore.

**24.25 Acknowledgement.** BEFORE SIGNING THIS AGREEMENT, FRANCHISEE SHOULD READ IT CAREFULLY WITH THE ASSISTANCE OF LEGAL COUNSEL. THE FRANCHISEE ACKNOWLEDGES THAT:

(A) THE SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED HEREIN INVOLVES SUBSTANTIAL RISKS AND DEPENDS UPON THE FRANCHISEE'S ABILITY AS AN INDEPENDENT BUSINESS PERSON AND ITS ACTIVE PARTICIPATION IN THE DAILY AFFAIRS OF THE BUSINESS, AND

(B) NO ASSURANCE OR WARRANTY, EXPRESS OR IMPLIED, HAS BEEN GIVEN AS TO THE POTENTIAL SUCCESS OF SUCH BUSINESS VENTURE OR THE EARNINGS LIKELY TO BE ACHIEVED, AND

(C) NO STATEMENT, REPRESENTATION OR OTHER ACT, EVENT OR COMMUNICATION, EXCEPT AS SET FORTH IN THIS DOCUMENT, AND IN ANY DISCLOSURE DOCUMENT SUPPLIED TO THE FRANCHISEE IS BINDING ON BAMBU IN CONNECTION WITH THE SUBJECT MATTER OF THIS AGREEMENT.

*SIGNATURE PAGE TO FOLLOW*



The parties have executed this Agreement to be made effective as of \_\_\_\_\_.

**BAMBU FRANCHISING LLC**, a Colorado  
limited liability company

**FRANCHISEE**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
Individually

**OR:**

(if a corporation, partnership or limited liability  
company)

\_\_\_\_\_  
Company Name

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Address: \_\_\_\_\_  
City: \_\_\_\_\_  
State: \_\_\_\_\_ Zip: \_\_\_\_\_

**ATTACHMENT I TO  
FRANCHISE AGREEMENT**

**ADDENDUM TO  
BAMBU FRANCHISING LLC  
FRANCHISE AGREEMENT**

1. **Franchised Location.** The **Franchised Location** set forth in Section 3.1 of the Agreement shall be: \_\_\_\_\_

\_\_\_\_\_;

**OR**

**Designated Area.** Bambu and Franchisee acknowledge that the Franchised Location and Protected Area cannot be designated in Paragraphs 1 and 2 as a specific address and related Protected Area because the location has not been selected and approved; therefore, within 90 days following the date of the Agreement, Franchisee shall select and obtain Bambu's approval for a location for its Bambu shoppe within the following geographic area ("**Designated Area**"): \_\_\_\_\_

\_\_\_\_\_.

2. **Protected Area.** The Protected Area set forth in Section 3.2 of the Agreement shall be:

\_\_\_\_\_  
\_\_\_\_\_

3. **Initial Franchise Fee.** The total Initial Franchise Fee due from Franchisee to Bambu pursuant to Section 4.1 of the Agreement is in the amount of and payable as follows:

\$39,000, payable \$27,000 upon execution of the Agreement, and \$12,000 upon the earlier of the first submitted letter of intent for Franchisee's potential Bambu shoppe location or the lease is signed, but no later than 90 days from the date of this Agreement.

Second or Subsequent shoppe opened under Multi-Unit Development Agreement - \$29,000, payable \$19,000 by application of the applicable portion of the Development Fee paid under the Multi-Unit Development Agreement, and \$10,000 on the date of execution of this Agreement (or such earlier date as specified as the deadline for signing this Agreement under the development schedule in the Multi-Unit Development Agreement).

4. **Training Fee.** The Training Fee set forth in Section 4.2 of the Agreement shall be \$10,000.

5. **Relocation Fee.** The Relocation Fee set forth in Article 11 of the Agreement shall be \$15,000.

6. **Royalty Fee; Marketing and Technology Fee.** The Royalty Fee referenced in Section 12.1 of the Agreement shall be the greater of 3.5 percent of Franchisee's Net Revenue or \$850 per month during the full term of the Agreement.

7. **Marketing and Technology Fee.** The Marketing and Technology Fee referenced in Section 12.2 of the Agreement shall initially be \$550 per month.

8. **Transfer Fee.** The Transfer Fee set forth in Section 17.2.g of the Agreement shall be \$15,000.

9. **Successor Franchise Fee.** The Training Fee set forth in Section 18.3.f of the Agreement shall be \$15,000.

10. **Other Terms.**

11. **Acknowledgement.** By executing this Addendum and/or the Rider hereto, Franchisee acknowledges that Bambu’s approval of a site does not constitute a representation or warranty of any kind, express or implied, as to the suitability of the site for a Bambū shoppe or for any other purpose and that Franchisee’s acceptance of a franchise for the operation of a Bambū shoppe at the site is based on its own independent investigation of the suitability of the site.

Fully executed \_\_\_\_\_.

**BAMBU FRANCHISING, LLC**

By: \_\_\_\_\_  
Title: \_\_\_\_\_

**FRANCHISEE**

By: \_\_\_\_\_  
Title: \_\_\_\_\_

**ATTACHMENT I-1  
TO FRANCHISE AGREEMENT**

**RIDER TO ADDENDUM - LOCATION APPROVAL**

a. **Franchised Location.** The Franchised Location set forth in Section 3.1 of the Agreement shall be: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

b. **Protected Area.** The Protected Area set forth in Section 3.2 of the Agreement shall be:

\_\_\_\_\_

\_\_\_\_\_

c. **Legal Address.** The business address for any notices mailed pursuant to Section 24.10 of the Agreement shall be changed to read as follows: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Fully executed on \_\_\_\_\_.

**BAMBU FRANCHISING, LLC**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**FRANCHISEE**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**ATTACHMENT II  
TO FRANCHISE AGREEMENT**

**GUARANTY AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS**

In consideration of, and as an inducement to, the execution of the above Franchise Agreement (the "**Agreement**") by BAMBU FRANCHISING LLC ("**Bambu**"), each of the undersigned hereby personally and unconditionally:

Guarantees to Bambu and its successors and assigns, for the term of this Agreement, including successor franchise terms, that the franchisee as that term is defined in the Agreement (the "**Franchisee**") shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and

Agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, including but not limited to, the terms of the articles and sections pertaining to non-competition during and after the term, confidentiality and the Marks and copyrighted works of Bambu.

Each of the undersigned waives the following:

1. Acceptance and notice of acceptance by Bambu of the foregoing undertaking;
2. Notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed;
3. Protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed;
4. Any right he or she may have to require that any action be brought against Franchisee or any other person as a condition of liability; and
5. Any and all other notices and legal or equitable defenses to which he or she may be entitled.

Each of the undersigned consents and agrees that:

1. His or her direct and immediate liability under this guaranty shall be joint and several;
2. He or she shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so;
3. Such liability shall not be contingent or conditioned upon pursuit by Bambu of any remedies against Franchisee or any other person; and
4. Such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Bambu may from time to time grant to Franchisee or to any other person, including without limitation the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this guaranty, which shall be continuing and irrevocable during the term of the Agreement, including successor franchise terms.

5. His or her obligation and liability hereunder shall not be affected by any amendment or modification of the Agreement and he or she has no right to approve or consent to any such amendment or modification.

6. He or she shall be bound by the restrictive covenants and confidentiality provisions contained in Article 21 of the Agreement and the indemnification provision contained in Section 20.3 of the Agreement and such provisions are incorporated into this Guaranty by this reference; and

7. The governing law, venue, jurisdiction, injunctive relief, limitations on remedies and attorneys' fee provisions contained in Article 23 and Section 24.6 of the Agreement shall govern this Guaranty and such provisions are incorporated into this Guaranty by this reference.

8. This Guaranty may be executed by electronic signature.

9. **HE OR SHE WAIVES HIS OR HER RIGHT TO A TRIAL BY JURY.**

**IN WITNESS WHEREOF**, each of the undersigned has affixed his or her signature effective on the same day and year as the Agreement was executed.

**GUARANTOR(S)**

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**ALBERTA GUARANTEES ACKNOWLEDGMENT ACT**

(Section 3)

**CERTIFICATE**

I HEREBY CERTIFY THAT:

1.       (guarantor's name)      , the guarantor in the guarantee dated \_\_\_\_\_ made between \_\_\_\_\_ and \_\_\_\_\_, which this certificate is attached to or noted on, appeared in person before me and acknowledged that he/she had executed the guarantee.

2. I satisfied myself by examination of the guarantor that he/she is aware of the contents of the guarantee and understands it.

CERTIFIED by       (print name)      , Barrister and Solicitor at the \_\_\_\_\_ of \_\_\_\_\_, in the Province of Alberta, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Signature

**STATEMENT OF GUARANTOR**

I am the person named in this certificate.

\_\_\_\_\_  
Signature of Guarantor

**ATTACHMENT III  
TO FRANCHISE AGREEMENT  
STATEMENT OF OWNERSHIP**

**Franchisee:** \_\_\_\_\_

**Trade Name** (if different from above): \_\_\_\_\_

Form of Ownership  
(Check One)

\_\_\_\_\_ Individual      \_\_\_\_\_ Partnership      \_\_\_\_\_ Corporation      Limited Liability  
\_\_\_\_\_ Company

If a Partnership, provide name and address of each partner showing percentage owned, whether active in management, and indicate the state in which the partnership was formed and a copy of the Partnership Agreement certified by the Secretary of State for the State in which the Partnership was formed.

If a Limited Liability Company, provide name and address of each member and each manager showing percentage owned and indicate the state in which the Limited Liability Company was formed, provide a copy of the Operating Agreement, and provide a copy of the Articles of Organization or other formation document certified by the Secretary of State for the State in which the LLC was formed.

If a Corporation, give the state and date of incorporation, the names and addresses of each officer and director, and list the names and addresses of every shareholder showing what percentage of stock is owned by each and a copy of the Articles of Incorporation certified by the Secretary of State for the State in which the corporation was formed.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Managing Owner:** \_\_\_\_\_

Franchisee acknowledges that this Statement of Ownership applies to the Bambū shoppe authorized under the Franchise Agreement.

Use additional sheets if necessary. Any and all changes to the above information must be reported to Bambu in writing.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature



**ATTACHMENT IV  
TO FRANCHISE AGREEMENT**

**RIDERS TO FRANCHISE AGREEMENT FOR SPECIFIC STATES OR PROVINCES**

If any one or more of the following Riders to the Franchise Agreement for Specific States or Provinces (“**Riders**”) is checked as an “Applicable Rider” below, then that Rider shall be incorporated into the Franchise Agreement entered into by Bambu Franchising LLC and the undersigned Franchisee. To the extent any terms of an Applicable Rider conflict with the terms of the Franchise Agreement, the terms of the Rider shall supersede the terms of the Franchise Agreement.

**APPLICABLE RIDER:**

**United States:**

- |                                     |                                       |                                       |
|-------------------------------------|---------------------------------------|---------------------------------------|
| <input type="checkbox"/> California | <input type="checkbox"/> Maryland     | <input type="checkbox"/> Rhode Island |
| <input type="checkbox"/> Hawaii     | <input type="checkbox"/> Minnesota    | <input type="checkbox"/> Virginia     |
| <input type="checkbox"/> Illinois   | <input type="checkbox"/> New York     | <input type="checkbox"/> Washington   |
| <input type="checkbox"/> Indiana    | <input type="checkbox"/> North Dakota | <input type="checkbox"/> Wisconsin    |

**Canada:**

- All Provinces

Fully executed on \_\_\_\_\_.

**BAMBU:**

**BAMBU FRANCHISING LLC**

By: \_\_\_\_\_  
Title: \_\_\_\_\_

**FRANCHISEE:**

\_\_\_\_\_

By: \_\_\_\_\_  
Title: \_\_\_\_\_

## UNITED STATES RIDERS TO FRANCHISE AGREEMENT

### CALIFORNIA RIDER TO FRANCHISE AGREEMENT

1. The following is added to the end of Section 4.1:

The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.

2. Subsections (d) and (e) of Section 17.2 are deleted in their entirety and the following provision is substituted in their place:

d. Provision by Franchisee of no less than 30 days' prior written notice to Bambu of the proposed transfer, such notice to contain: (1) the proposed transferee's name and address; (2) copies of all agreements related to such sale, transfer or assignment; (3) the proposed transferee's application to become the successor franchisee, including all information requested by Bambu and sufficient to assess the proposed transferee's business experience, aptitude and financial qualification; and (4) all other information reasonably requested by Bambu as part of its transfer approval process, it being acknowledged that Bambu shall evaluate the proposed transferee for approval based on the same criteria currently being used to assess new and renewing franchisees of Bambu.

3. Section 19.1.1 is deleted in its entirety and the following provision is substituted in its place:

l. **Health or Safety Problem.** After receiving notice of the same from Bambu, Franchisee fails, for a period of 10 days, to comply with any health, safety, building, or labor law, regulation or ordinance, any order of any governmental agency, or any health or safety standard of Bambu, including but not limited to, failing to comply with the terms and conditions of any mandatory product recall; provided, however, that Bambu may terminate this Agreement immediately, without notice or an opportunity to cure, if Bambu reasonably determines that Franchisee's continued operation of the Bambu shoppe will result in an imminent danger to public health or safety.

4. The following subsection is added to Section 19.1:

u. **Written Agreement.** Franchisee and Bambu agree in a signed writing to terminate this Agreement.

5. The first paragraph of Section 19.2 is deleted in its entirety and the following provision is substituted in its place:

**19.2 Sixty-Day Cure Period.** Bambu has the right to terminate this Agreement upon Franchisee's failure to substantially comply with the terms of this Agreement, which failure shall be evidenced by the occurrence of any of the following events, if Franchisee fails to cure the default within 60 days after written notice from Bambu:

6. The following subsection is added to Section 19.2:

c. **Failure to Pay Third Party Obligations.** Franchisee fails to pay all taxes and other obligations owed to third parties related to the operation of the Bambū shoppe.

7. The last sentence of Section 19.2 is deleted in its entirety and the following provision is substituted in its place:

Notwithstanding the foregoing, if the breach is curable, but is of a nature which cannot be reasonably cured within 60 days, and Franchisee has commenced and is continuing to make good faith efforts to cure the breach, Franchisee shall be given an additional period of time to cure the breach, but in no case more than 75 days following Bambu's notice of default, unless Franchisee and Bambu execute a separate, written agreement to further extend the cure period.

8. Section 23.5 is deleted and replaced with the following language:

**23.5 Governing Law/Consent to Jurisdiction/Waiver of Jury Trial.** The United States Federal Arbitration Act shall govern all questions about the enforceability of Sections 23.1 and 23.2 and the confirmation of any arbitration awards pursuant to such procedures, and no arbitration issues are to be resolved pursuant to any other statutes, regulations or common law. Otherwise, except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or applicable international trademark law, this Agreement shall be interpreted under the laws of the State of Colorado, U.S.A. and any dispute between the parties shall be governed by and determined in accordance with the internal substantive laws (and not the laws of conflict) of the State of Colorado, U.S.A., which laws shall prevail in the event of any conflict of law. Notwithstanding the foregoing, the parties agree that the Colorado Consumer Protection Act (COLO. REV. STAT. ANN. Sections 6-1-101, et seq.) shall not apply to this Agreement or any disputes between the parties. If a claim is asserted in any legal proceeding not subject to mandatory arbitration, as specified in Section 23.1 above, involving Franchisee and/or the Franchisee Affiliates, on the one side, and Bambu and/or the Bambu Affiliates, on the other side, both parties consent to jurisdiction and venue for disputes between them in the state and federal courts of Colorado, U.S.A., and each waive any objection either may have to the personal jurisdiction of or venue in the state and federal courts of Colorado, U.S.A. Notwithstanding the foregoing, any legal proceeding by Bambu or any Bambu Affiliate not subject to mandatory arbitration may be brought in any court of competent jurisdiction in the country, state, province, or other geographic area in which Franchisee's shoppe is located or in which Franchisee or any Franchisee Affiliate resides or owns assets. **IF A CLAIM MAY BE BROUGHT IN COURT, THEN BAMBU, THE BAMBU AFFILIATES, FRANCHISEE, AND THE FRANCHISEE AFFILIATES EACH WAIVE THEIR RIGHTS TO A TRIAL BY JURY.**

9. 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.

## **HAWAII RIDER TO FRANCHISE AGREEMENT**

1. The following is added to the end of Section 4.1:

All initial fees payable to Bambu shall be deferred until Bambu has fulfilled all of its initial obligations to Franchisee.

2. The following shall be added at the end of Sections 17.2.f and 18.3.d:

Any release executed pursuant to this Section will not apply to any claims that may arise under the Hawaii Franchise Investment Law.

3. The following paragraph is added to Section 19.3:

Section 482E-6(3) of the Hawaii Revised Statutes provides that upon termination or refusal to renew the Franchise, Bambu is obligated to compensate Franchisee for the fair market value, at the time of the termination or expiration of the Franchise, of Franchisee's inventory, supplies, equipment and furnishings purchased from Bambu or a Supplier designated by Bambu; provided that personalized materials which have no value to Bambu need not be compensated for. If Bambu refuses to renew a Franchise for the purpose of converting Franchisee's business to one owned and operated by Bambu, Bambu, in addition to the remedies provided above, shall compensate Franchisee for the loss of goodwill. Bambu may deduct from such compensation reasonable costs incurred in removing, transporting and disposing of Franchisee's inventory, supplies, equipment and furnishings pursuant to this requirement, and may offset from such compensation any monies due Bambu.

## **ILLINOIS RIDER TO FRANCHISE AGREEMENT**

1. Illinois law governs the Franchise Agreement.

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

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

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

5. The following language is added at the end of Section 4.1:

All initial fees payable to Bambu and any of its affiliates shall be deferred until Bambu has fulfilled all of its initial obligations to Franchisee and Franchisee has commenced doing business pursuant to this Agreement. The Illinois Attorney General's Office imposed this deferral requirement due to Bambu's financial condition.

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.

7. See the FIRST page of this Attachment IV for your signature.

### **INDIANA RIDER TO FRANCHISE AGREEMENT**

The following modifications are made to the Franchise Agreement only to the extent required by the Indiana Franchises Act, IND. CODE § 23-2-2.5, and the Indiana Deceptive Franchise Practices Act, IND. CODE § 23-2-2.7:

1. The following language is added to Section 3.2:

Indiana law prohibits Bambu from establishing a Bambu-owned outlet engaged in a substantially identical business within Franchisee's Protected Area.

2. The following language is added to the end of Sections 17.2.f and 18.3.d:

Any release executed in connection herewith will not apply to any claims that may arise under the Indiana Franchise Disclosure Law and the Indiana Deceptive Franchise Practices Act.

3. The scope of the Post-Termination Covenant Not to Compete in Section 21.2 is limited to the 10 mile radius of the Franchisee's former Franchised Location.

4. The following language is added to the end of Section 23.5:

Notwithstanding the foregoing, any provision in this Agreement which limits in any manner whatsoever litigation brought for breach of this Agreement will be void to the extent that any such contractual provision violates the Indiana Deceptive Franchise Practices Law.

5. The following paragraph is added to the end of Section 23.7:

Notwithstanding anything contained in this Agreement to the contrary, any and all claims and actions arising out of or relating to this Agreement, the relationship between Franchisee and Bambu, or Franchisee's operation of Franchisee's shoppe must be commenced within the time period specified in Indiana law.

6. The following sentence is added at the end of Section 24.2:

Notwithstanding anything to the contrary in this provision, Franchisee does not waive any right under the Indiana statutes with regard to prior representations made by Bambu.

### **MARYLAND RIDER TO FRANCHISE AGREEMENT**

1. The following is added to the end of Section 4.1:

Based on the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial franchise fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

2. The following shall be added at the end of Sections 17.2.f and 18.3.d:

The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. The following sentence is added to the end of Section 23.5:

This Agreement provides for disputes to be resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

4. The following sentence is added to the end of Section 23.7:

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

5. The following sentence is added to the end of Sections 24.1, 24.2, 24.24 and 24.25:

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

6. Section 24.25(A) is deleted in its entirety.

7. 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.

### **MINNESOTA RIDER TO FRANCHISE AGREEMENT**

1. The following is added to the end of Section 4.1:

All initial franchise fees payable to Bambu shall be deferred until the day Franchisee's Bambū shoppe opens for business.

2. The following language is added to Section 15.4 of the Franchise Agreement:

Bambu or its affiliates agree to protect Franchisee against claims of infringement or unfair competition with respect to Franchisee's authorized use of the Marks, when Franchisee's rights granted therein warrant protection.

3. The following sentence is added at the end of Sections 17.2.f and 18.3.d of the Franchise Agreement:

Any release executed in connection herewith will not apply to any claims that may arise under the Minnesota Franchise Act.

4. The following statement is added at the end of Sections 18.4, 19.1 and 19.2 of the Franchise Agreement:

Minnesota law provides a Franchisee with certain termination and nonrenewal rights. Minn. Stat. Sec. 80C.14 Subd. 3, 4 and 5 require, except in certain specified cases, that a Franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for nonrenewal of this Agreement.

5. Section 23.4 is modified by the following language:

Pursuant to Minnesota Rule 2860.4400(J), a franchisee cannot consent to a franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. Also, a court will determine if a bond is required.

6. Section 23.5 is modified by the following language:

Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit Bambu from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring Franchisee to consent to liquidated damages, termination penalties, or judgment notes. In addition, nothing in the Franchise Disclosure Document or this Agreement can abrogate or reduce (1) any of Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or (2) Franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. The above language has been included in this Agreement as a condition to registration. Bambu and Franchisee do not agree with the above language and believes that each of the provisions of the Agreement are fully enforceable. Bambu and Franchisee intend to fully enforce all of the provisions of the Agreement and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

7. The following statement is added at the end of Section 23.7:

Minnesota law provides that no action may be commenced pursuant to Minnesota Statute Section 80C.17 more than three years after the cause of action accrues. Minnesota Statutes, Section 80C.17, Subd. 5.

#### **NEW YORK RIDER TO FRANCHISE AGREEMENT**

1. The following sentence shall be added after the first sentence of Section 8.3:

Any new or different requirement set forth in the FRC Materials shall not unreasonably increase Franchisee's obligations or place an excessive burden on Franchisee's operation of its Bambu shoppe.

2. The following shall be added at the end of Sections 17.2.f and 18.3.d:

Provided however, that all rights enjoyed by Franchisee and any causes of action arising in Franchisee's 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 provision of GBL 687.4 and 687.5 be satisfied.

3. Section 17.5 is deleted and the following is inserted in its place:

This Agreement is fully assignable by Bambu and shall inure to the benefit of any assignee or other legal successor in interest, and Bambu shall in such event be fully released from the same, provided no assignment shall be made except to an assignee who, in Bambu's good faith judgment, is willing and financially able to assume Bambu's obligations under this Agreement.

4. The following shall be added at the end of Section 19.1:

Franchisee may terminate the Agreement upon any grounds available by law.

5. After the first sentence of Section 20.3, the following sentence shall be added:

However, Franchisee shall not be required to indemnify Bambu for any liabilities which arose as a result of Bambu's breach of this Agreement or other civil wrongs committed by Bambu.

6. The following shall be added to Section 23.5:

However, the foregoing choice of law shall not be considered a waiver of any right conferred upon Franchisee by the provisions of Article 33 of the New York State General Business Law. Bambu and Franchisee do not agree with the above language and believe that each of the provisions of the Agreement, including all venue and choice-of-law provisions, are fully enforceable. Bambu and Franchisee intend to fully enforce all of the provisions of the Agreement and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

### **NORTH DAKOTA RIDER TO FRANCHISE AGREEMENT**

1. The North Dakota Securities Commissioner has held the following to be unfair, unjust or inequitable to North Dakota franchisees:

A. Restrictive Covenants: Franchise Disclosure Documents which disclose the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to this statute.

B. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business.

C. Restrictions on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

D. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.

E. Applicable Laws: Franchise agreements which specify that they are to be governed by the laws of a state other than North Dakota.

F. Waiver of Trial by Jury: Requiring North Dakota franchisees to consent to the waiver of a trial by jury.



G. Waiver of Exemplary & Punitive Damages: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.

H. General Release: Franchise agreements that require the franchisee to sign a general release upon renewal of the franchise agreement.

I. Limitation of Claims: Franchise agreements that require the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota law applies.

2. The following is added at the end of Section 4.1:

All initial fees payable to Bambu and any of its affiliates shall be deferred until Bambu has fulfilled its initial obligations to Franchisee under this Agreement and Franchisee has commenced doing business pursuant to this Agreement.

### **RHODE ISLAND RIDER TO FRANCHISE AGREEMENT**

1. The following paragraph is added at the end of Article 23:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

The above language has been included in this Agreement as a condition to registration. Bambu and Franchisee do not agree with the above language and believe that each of the provisions of the Agreement, including all choice of law provisions, are fully enforceable. Bambu and Franchisee intend to fully enforce all of the provisions of the Agreement and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

### **VIRGINIA RIDER TO FRANCHISE AGREEMENT**

1. Section 24.16 of the Agreement will not be applicable to the Agreement signed by a Virginia franchisee entering into the attached Agreement.

2. The following statement is added to Section 4.1:

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires Bambu to defer payment of the initial franchise fee and other initial payments owed by Franchisee to Bambu until Bambu has completed its pre-opening obligations under this Agreement.

3. 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. Section 24.25 of the Agreement is deemed modified accordingly.

## **WASHINGTON RIDER TO FRANCHISE AGREEMENT AND RELATED AGREEMENTS**

1. The following statement is added to Section 4.1:

The Securities Administrator of the State of Washington has determined that, based on Bambu's financial condition, Bambu may not be able to fulfill its obligations to Franchisee in the establishment and opening of the Bambū shoppe. Bambu has elected to assure financial capability by deferring the payment of all initial fees owed to Bambu until Bambu has completed its initial obligations under the Franchise Agreement and Franchisee's Bambū shoppe opens.

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

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

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

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

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

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

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

3. 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.

4. The sixth sentence in Section 5.2 is deleted and replaced with the following:

While Bambu's assistance may include recommendations to protect Franchisee under the terms of the lease, Franchisee acknowledges that Bambu's involvement in the negotiation or approval of a lease for the Franchised Location is primarily for Bambu's benefit only.

5. The final sentence in Section 5.3 is deleted.
6. The second sentence in Section 24.2 is deleted.
7. Section 24.24 is deleted in its entirety and replaced with the following:

24.24 No Warranties or Guaranties. Franchisee acknowledges and agrees that Bambu makes no warranties or guarantees, and assumes no liability or obligation to Franchisee, by providing any waiver, approval, consent, or suggestion in connection with this Agreement, or by reason of any neglect, delay, or denial of any request therefore.

#### **WISCONSIN RIDER TO FRANCHISE AGREEMENT**

1. The following paragraph is added to the end of Article 19:

The conditions under which this Agreement can be terminated or not renewed may be effected by the Wisconsin Fair Dealership Law, Wisconsin Statutes 1981-82, Title XIV-A, Chapter 135.

#### **CANADA RIDERS TO FRANCHISE AGREEMENT**

#### **ALL CANADIAN PROVINCES RIDER TO THE FRANCHISE AGREEMENT**

1. Franchisee and Bambu agree that they shall not be restricted by this Agreement from soliciting or hiring each other's employees to the extent that such restriction would be prohibited by applicable law. Any provision of this Agreement to the contrary is hereby deemed amended accordingly.

**EXHIBIT B  
(TO DISCLOSURE DOCUMENT)**

**MULTI-UNIT DEVELOPMENT AGREEMENT**

**THIS MULTI-UNIT DEVELOPMENT AGREEMENT (“MUD Agreement”)** is made effective as of the date set forth on the signature page hereof, by and between Bambu Franchising LLC, a Colorado limited liability company, located 6000 E. Evans Ave., Bldg 2, Suite 210, Denver, Colorado 80222 (“**Bambu**”) and the undersigned franchisee (“**Franchisee**”), who, on the basis of the following understanding, and in consideration of the following promises, agree as follows:

**RECITALS**

A. Bambu has developed methods for establishing, operating and promoting fast casual businesses offering featuring freshly made Vietnamese dessert drinks (Chè), Vietnamese style coffee drinks (Cà Phê), Vietnamese style blended yogurts (Yonami), Asian-inspired teas (including Taiwanese bubble tea), and real fruit smoothies (Sinh Tố), with freshly made tapioca boba, house-prepared proprietary ingredients, and a wide-variety of drink toppings, along with mochi waffles and other complementary snack, food and dessert items (“**Bambū shoppes**” or “**shoppes**”), using the mark “**Bambū**®” and related trade names and trademarks (“**Marks**”) and Bambu’s proprietary recipes and distinctive ingredients, business format, systems, methods, procedures, designs, layouts, advertising and operational standards and specifications, and various other proprietary methods of doing business (“**Bambū system**”).

B. Franchisee would like to use Bambu’s Marks and Bambū system in connection with the development of a certain number of shoppes in a specific geographical area as set forth in the addendum attached hereto as Attachment A (“**Addendum**”). Bambu desires to grant Franchisee, or an entity owned by Franchisee or Franchisee’s owners (“**Approved Affiliate**”), the right to establish and operate such shoppes under the terms and conditions contained in this MUD Agreement.

The parties therefore agree as follows:

**1. GRANT OF DEVELOPMENT RIGHTS**

1.1. Development Area. Bambu grants to Franchisee the right to develop and establish the number of shoppes described in the Addendum using Bambu’s Marks and Bambū system in the geographic area described in the Addendum attached hereto (the “**Development Area**”). Except pursuant to Section 4.1 below, Bambu shall not establish, nor shall it license any other party to establish, shoppes using the Marks and Bambū system anywhere within the Development Area for so long as this MUD Agreement is in effect. Notwithstanding the foregoing, there may be existing Franchise Agreements in effect as of the date of this MUD Agreement under which Bambu has granted rights to third parties to operate Bambū shoppes in the Development Area (the “**Existing Shoppes**”). Franchisee agrees and acknowledges that the Franchise Agreements for such Existing Shoppes may remain in effect, and nothing in this MUD Agreement shall prevent, prohibit, or restrict the operations of such Existing Shoppes. Bambu may renew the Franchise Agreements or enter into successor Franchise Agreements for such Existing Shoppes.

1.2. Franchisor’s Reservation of Rights. Franchisee acknowledges that the rights granted in this MUD Agreement are non-exclusive and that Bambu, for itself and its affiliates, successors and assigns, reserves the rights, among others:

(a) to use the Marks to identify any type of products and services, promotional and marketing efforts or related items, and to identify products and services distributed or otherwise

made available through alternative channels of distribution (other than Bambū shoppes), at any location, and on any terms and conditions as Bambu determines including, but not limited to, sales through channels such as wholesale or retail distribution, Internet marketing and distribution, social media marketing, mail order, catalog, retail store display or made-to-order or pre-packaged product sales in grocery stores, at any location;

(b) to use and license the use of different proprietary marks or methods (for example, if Bambu acquires or is acquired by another business that provides products and services similar to or the same as a shoppe) in connection with the sale of products and services similar to or the same as those which Franchisee sells, whether in alternative channels of distribution or through owning, developing, operating or franchising stores which are the same as, or similar to, or different from Bambū shoppes, at any location, and on any terms and conditions as determined by Bambu;

(c) To use and to license others to use the Marks and Bambū system to establish restaurants similar to Bambū shoppes that service walkup and drive-thru customers but without indoor seating (a “**Drive-Thru shoppe**”), at any location, including in Franchisee’s Development Area; provided that if Bambu desires to open or permit someone else to open a Drive-Thru shoppe in Franchisee’s Development Area, Bambu will give Franchisee a right of first refusal to participate in the Drive-Thru shoppe with either partial or whole ownership thereof;

(d) to use and license others to use the Marks and Bambū system to establish shoppes at Institutional Facilities at any location. “**Institutional Facilities**” means outlets that serve primarily customers located within a captive facility, such as parks charging admission, stadiums, amusement parks, theaters, art centers, airports, transportation facilities, department stores, business and industrial complexes, museums, educational facilities, hospitals, military complexes, buyer club facilities, casinos, resorts, hotels, and convention centers. Bambu, on behalf of itself, its affiliates and designees, reserves the right to contract with Institutional Facilities to develop and operate shoppes within these facilities; and

(e) to engage in any other activities not expressly prohibited by this MUD Agreement.

1.3. Franchise Agreement – First Shoppe Developed. The parties acknowledge that the Bambū Franchise Agreement governing the operation of Franchisee’s first Bambū shoppe to be opened hereunder is being executed concurrently with this MUD Agreement. Franchisee agrees to comply with the terms and conditions of the Franchise Agreement as a part of its obligations hereunder and acknowledges that failure to execute and comply with such Franchise Agreement is a breach of this MUD Agreement.

1.4. No Grant of Franchise. This MUD Agreement is not a franchise agreement and Bambu does not grant Franchisee any franchise rights or other similar rights to use the Marks or Bambū system under this MUD Agreement. Franchisee has no right to license or subfranchise others to use the Marks or Bambū system. Other than the right to enter into subsequent Franchise Agreements, as referenced in Section 3.2 below, nothing in this MUD Agreement grants to Franchisee the right to enter into any agreement with respect to the Marks or Bambū system.

## 2. INITIAL FRANCHISE AND DEVELOPMENT FEES

### 2.1. Fees.

(a) In consideration of the development rights granted herein, concurrently with the execution of this MUD Agreement Franchisee will pay to Bambu a development fee equal to \$19,000 multiplied by the number of additional shoppes, beyond the first shoppe, to be developed hereunder (“**Development Fee**”). This Development Fee is in addition to the initial franchise fee applicable for the first shoppe to be developed hereunder, which must be paid in accordance with the terms of the Franchise Agreement for that shoppe. The total Development Fee is set forth in the Addendum. Franchisee acknowledges that the Development Fee represents payment for the grant of the development rights and for a reserved Development Area and Bambu has fully earned the Development Fee upon receipt.

(b) The initial franchise fee for each such additional shoppe shall be \$29,000. Bambu will credit \$19,000 of the Development Fee to the initial franchise fee due under the Franchise Agreement for each of the second and subsequent shoppes to be developed under this MUD Agreement. After applying the credit for the portion of the Development Fee as described above, the balance of the initial franchise fee of \$10,000 shall be due upon execution of the Franchise Agreement for that shoppe, but no later than the deadline set forth in the Development Schedule (defined in Section 3.1) for signing that Franchise Agreement. Franchisee shall also be required to pay the Training Fee set forth under each Franchise Agreement in such manner and time as set forth in each Franchise Agreement.

(c) Other than to have applied the portions of the Development Fee to a portion of the initial franchise fee for subsequent Franchise Agreements as described in Section 2.1(b), all fees hereunder are nonrefundable once paid to Bambu and under no circumstances will Franchisee be entitled to a refund, return or rebate of any portion of initial franchise fees paid hereunder.

## 3. DEVELOPMENT OBLIGATIONS

3.1. Development Schedule. Franchisee agrees to develop the following number of shoppes in the Development Area, including the shoppe to be developed under the Franchise Agreement executed concurrently with this MUD Agreement, in accordance with development schedule set forth in the Addendum (the “**Development Schedule**”). Franchisee agrees that time is of the essence with respect to compliance with the Development Schedule, payment of the balance of the initial franchise fees under Section 2.1(b) above and any and all other obligations to be performed by Franchisee hereunder. Further, Franchisee shall continuously maintain in operation at least the number of shoppes set forth on the Development Schedule.

3.2. Subsequent Franchise Agreements. The parties agree that a separate Franchise Agreement shall be executed by the parties to this MUD Agreement for each shoppe to be developed under this MUD Agreement. Franchisee will exercise its right for development of each shoppe by giving Bambu written notice of its intention to develop such shoppe at least 90 days in advance of the deadline set forth in the Development Schedule for executing each applicable Franchise Agreement. The Franchise Agreement for the second and subsequent shoppes will be executed by the deadline set forth in the Development Schedule. Franchisee’s failure to execute any additional Franchise Agreements or its default in any term of such Franchise Agreements may, at the option of Bambu, be deemed a default under this MUD Agreement and shall entitle Bambu to terminate this MUD Agreement as further provided in Article 4 below. Each Franchise Agreement to be executed by Franchisee for each shoppe to

be developed hereunder shall be in the form of Franchise Agreement then generally being offered to franchisees by Bambu, which may contain terms substantially different from the terms of the initial Franchise Agreement executed hereunder. Notwithstanding the foregoing, Bambu agrees that it will not charge an initial franchise fee to Franchisee which is greater than the amounts set forth in Section 2.1(b) above. Franchisee acknowledges that Bambu has the right, however, to charge then current rates for royalty fees and all other fees, and for purchases of products and services offered to Franchisee, in accordance with Bambu's then-current franchise agreement.

3.3. Site Selection. Franchisee shall not, without the prior written approval of Bambu, enter into any contract for the purchase or lease of any premises for use as a Bambu shoppe. Bambu will assist Franchisee in the selection and approval of locations for its shoppes in accordance with the terms and conditions of the Franchise Agreements. Franchisee acknowledges that Bambu has no obligation to select or acquire a location on behalf of Franchisee.

3.4. Training Program. Franchisee acknowledges that Bambu shall have the right, at Bambu's sole discretion, to waive the initial training program, which is the same as or similar to the training provided under Section 6.1 of the Franchise Agreement executed concurrently herewith, for the second and each subsequent shoppe developed under the terms of this MUD Agreement. Franchisee may also request additional assistance from Bambu in connection with site selection, site feasibility studies, lease negotiations and other issues related to development of its Development Area. In the event that Bambu agrees to provide such assistance, in Bambu's sole discretion, Franchisee agrees to pay all fees associated with such assistance, together with all travel, lodging, living expenses, telephone charges and other identifiable expenses incurred in connection with such assistance, plus a fee based on daily or hourly time spent by any of Bambu's employees in connection with such assistance.

#### **4. TERM AND TERMINATION**

4.1. The term of this MUD Agreement shall commence as of the date of execution hereof and shall end on the earlier of (1) the date the last Franchise Agreement is executed to open the maximum number of shoppes set forth in the Addendum, or (2) the date of the deadline set forth in the Development Schedule for Franchisee to execute the Franchise Agreement for the last of its shoppes to be developed under this MUD Agreement. After expiration of the term, or earlier termination of this MUD Agreement as provided below, Bambu shall have the right to establish, or license any other party to establish shoppes anywhere within the Development Area; provided, however, that Franchisee's Protected Area as defined in the Franchise Agreements executed hereunder will remain in effect for the term of the Franchise Agreements, unless sooner terminated.

4.2. Termination by Franchisee. This MUD Agreement may be terminated by Franchisee for any reason upon 60 days prior written notice to all parties, provided that Franchisee will not be entitled to a refund of any fees paid hereunder under any circumstances.

4.3. Termination by Bambu. Franchisee shall be deemed in default and this MUD Agreement may be terminated by Bambu, at its option, in the following circumstances:

(i) Franchisee defaults on any term or condition of this MUD Agreement, including without limitation, the failure to open and maintain the number of shoppes required by the Development Schedule, and fails to cure such default after 30 days written notice to Franchisee; or

(ii) Franchisee is in default under any of the Franchise Agreements executed in furtherance of this MUD Agreement or any other agreement between Bambu or any of Bambu's

affiliates and Franchisee or any of Franchisee's affiliates and fails to cure such default within the time periods specified in such other agreements.

4.4. Continued Effectiveness of Franchise Agreements. If this MUD Agreement is terminated due solely to a failure by Franchisee to meet the Development Schedule, Bambu and Franchisee agree that such termination shall not constitute a default or result in a termination of any Franchise Agreements executed between Franchisee and Bambu in effect as of the date of termination of this MUD Agreement. In that case, those Franchise Agreements shall continue in full force and effect notwithstanding the termination of this MUD Agreement. Bambu and Franchisee agree that any statements to the contrary in the Franchise Agreements executed by them, including any cross-default and cross-termination provisions, will be inapplicable in the situation of a termination of this MUD Agreement based solely on Franchisee's failure to meet the Development Schedule. If this MUD Agreement is terminated due to any other default under Section 4.3 above, all Franchise Agreements executed in furtherance of this MUD Agreement and all other agreements between Bambu and Franchisee or any of Franchisee's affiliates may, at Bambu's sole option, be terminated.

4.5. Post-Termination Obligations. In the event of termination or expiration of this MUD Agreement for any reason, Franchisee shall not be entitled to any refund of any portion of the fees paid hereunder. Franchisee shall remain subject to the provisions of Article 6 of this MUD Agreement regarding nondisclosure and covenants not to compete, in addition to the terms and conditions of any and all Franchise Agreements executed in furtherance of this MUD Agreement which have not also been terminated or expired. No right or remedy herein conferred upon or reserved by Bambu is exclusive of any other right or remedy provided or permitted by law or equity.

## 5. ASSIGNMENT

5.1. Assignment by Bambu. Bambu may transfer or assign its rights under this MUD Agreement at any time upon notice to Franchisee, provided that Bambu has fulfilled its obligations hereunder or has made adequate provisions therefor.

5.2. Assignment by Franchisee. Because the rights granted herein are personal to Franchisee, Franchisee shall not transfer, assign or convey this MUD Agreement or any interest hereunder without Bambu's prior written consent which consent shall not be unreasonably withheld if Franchisee complies with the transfer provisions of the Franchise Agreement most recently executed by Bambu and Franchisee, which provisions shall be deemed to be incorporated herein by reference. Bambu reserves the right to require the transferee to sign the then-current form of MUD Agreement with materially different terms and conditions that may be negotiated between the parties depending on the circumstances of the transfer. Franchisee is prohibited from granting a subfranchise hereunder. As used in this MUD Agreement, the term "transfer" shall have the meaning set forth in the Franchise Agreement most recently signed by Bambu and Franchisee. In addition to any conditions contained in this MUD Agreement, the conditions for Bambu's approval of any transfer shall be the same as the conditions contained in the Franchise Agreement most recently executed by Bambu and Franchisee, which provisions shall be deemed to be incorporated herein by reference.

5.3. Transfer Fee. In the event of any proposed sale, transfer or assignment by Franchisee as described herein, Franchisee or the proposed transferee shall pay to Bambu the standard transfer fee for each franchise to be transferred, as governed by the applicable Franchise Agreement executed pursuant to this MUD Agreement, plus \$7,500 for every undeveloped franchise right for which no Franchise Agreement has been executed.



## 6. RESTRICTIVE COVENANTS

6.1. Restrictive Covenants. During the term and after the termination of this MUD Agreement or any Franchise Agreement signed in furtherance of this MUD Agreement, Franchisee and its Approved Affiliates and their officers, partners, directors, managers, agents or employees who have completed Bambu's training programs or had access to the Resource Center Materials, as described in the Franchise Agreement, or the beneficial owners of a five percent or greater interest in Franchisee or an Approved Affiliate and their respective immediate families, shall be subject to all restrictive covenants as set forth in the Franchise Agreement executed concurrently herewith, and in any nondisclosure and noncompetition agreements executed by Franchisee, its Approved Affiliates, or their employees, owners, managers, members, partners, officers, directors, agents or representatives, which covenants by this reference are incorporated herein.

## 7. BUSINESS RELATIONSHIPS

7.1. Independent Contractor. During the term of this MUD Agreement, Franchisee shall be an independent contractor and shall in no way be considered as an agent, partner or employee of Bambu. It is understood and agreed that no agency or partnership is created by this MUD Agreement. As such, Franchisee has no authority of any nature whatsoever to bind Bambu or incur any liability for or on behalf of Bambu or to represent itself as anything other than an independent contractor.

7.2. Indemnification. Franchisee shall indemnify and hold harmless Bambu and its officers, directors, members, managers, agents and representatives ("**Indemnified Parties**") from all fines, suits, proceedings, claims, demands or actions of any kind or nature, including reasonable attorneys' fees, from anyone whomsoever, directly or indirectly, arising or growing out of, or otherwise connected with Franchisee's activities, actions or failure to act, under this MUD Agreement or Franchisee's operation of its shoppes developed under this MUD Agreement. For purposes of this indemnification, claims shall mean and include all obligations, actual and consequential damages and costs reasonably incurred in the defense of any claim against the Indemnified Parties, including, without limitation, reasonable accountants', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other arbitration or litigation expenses and travel and living expenses. Bambu shall have the right to defend any such claim against it. This indemnity shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this MUD Agreement.

## 8. MISCELLANEOUS

8.1. Disputes/Governing Law. The parties agree that any dispute between the parties arising out of the terms of this MUD Agreement shall be governed by the applicable provisions of the Franchise Agreement executed concurrently herewith including the arbitration, choice of law, and venue provisions, which terms and conditions are by this reference incorporated herein. This MUD Agreement shall be governed by and construed in accordance with the laws of the State of Colorado.

8.2. Binding Effect. This MUD Agreement shall be binding upon and inure to the benefit of each of the parties' respective heirs, successors, assigns and personal representatives.

8.3. Review. Franchisee acknowledges that it had a copy of this MUD Agreement in its possession for a period of time not fewer than 14 days or 10 business days, whichever is required under applicable law, during which time Franchisee has had the opportunity to submit the same for professional review and advice of Franchisee's choosing prior to freely executing this MUD Agreement.

8.4. No Waiver. No waiver of any condition or covenant contained in this MUD Agreement or failure to exercise a right or remedy by any party hereto shall be considered to imply or constitute a further waiver of the same or any other condition, covenant, right or remedy.

8.5. Modification. This MUD Agreement may be modified only upon execution of a written agreement between the parties.

8.6. Entire Agreement. This MUD Agreement, together with the attachments and the Franchise Agreements signed in conjunction with this MUD Agreement, contains the entire agreement between the parties and supersedes any and all prior agreements, both oral and written, concerning the subject matter hereof, provided that any Franchise Agreement executed by the parties hereto shall remain binding, except to the extent that this MUD Agreement specifically supersedes any term thereof. Nothing in this MUD Agreement or in any related agreement is intended to disclaim the representations made in the Disclosure Document.

8.7. Invalidity. In the event that any arbitrator or court of competent jurisdiction determines that any provision of this MUD Agreement is unenforceable as written for any reason, then the parties hereby request and authorize the arbitrator or court to “blue pencil” such provision so as to make it enforceable and to best carry out the intent of the parties, or to deem such provision severed from this MUD Agreement if it cannot be so modified. The holding, declaration or pronouncement shall not adversely affect any other provisions of this MUD Agreement, which shall otherwise remain in full force and effect.

8.8. Notices. All notices required to be given under this MUD Agreement shall be given in writing, by certified mail, return receipt requested, or by an overnight delivery service providing documentation of receipt, and as to Bambu, at the address first set forth above, or as to Franchisee, at the address set forth below its signature on the signature page hereto, or at such other address as either party may designate from time to time by written notice as set forth herein. Notice shall be deemed effective when deposited in the United States mail postage prepaid or when received by overnight delivery, as may be applicable.

8.9. Controlling Terms. In the event of any conflict between the terms of this MUD Agreement and the terms of the Franchise Agreement, the terms of this MUD Agreement shall control.

8.10. Attorneys’ Fees and Costs. In the event of any dispute between the parties to this MUD Agreement, in addition to all other remedies, the non-prevailing party will pay the prevailing party all amounts due and all damages, costs and expenses, including reasonable attorneys’ fees, incurred by the prevailing party in any legal action, arbitration, mediation, or other proceeding as a result of such dispute, plus interest at the highest rate allowable by law, accruing from the date of such default.

8.11. Injunctive Relief. Nothing herein shall prevent Bambu or Franchisee from seeking injunctive relief to prevent irreparable harm, in addition to all other remedies.

8.12. Approval Within Development Area. Any approval of this MUD Agreement by the appropriate authorities in the Development Area that is required to enable Franchisee to enter into this MUD Agreement, perform under the terms of this MUD Agreement, do business with Bambu, or make payments to Bambu in United States Dollars in the United States of America will be the sole responsibility and at the sole expense of Franchisee.

8.13. Manner of Payment. All references in this MUD Agreement to the term “Dollars” or the symbol “\$” refers to United States Dollars, and all payments made to Bambu, unless otherwise noted,

must be paid in United States Dollars net of any taxes or withholdings. The exchange rate for calculating payments due will be the exchange rate published in The Wall Street Journal the day the payment is due. Franchisee shall be solely responsible for the payment of any costs and charges incurred in connection with the transfer and exchange of currency over and above any fees due or paid.

8.14. Translation of Agreement. The English language will be regarded as the authoritative and official text of this MUD Agreement; however, this MUD Agreement may be translated into the language in dominant use in the Development Area, at Franchisee's expense, in the event that translation is necessary for any reason, including for the purpose of registration of this MUD Agreement with the applicable governmental authority. Nevertheless, in the event that any discrepancies exist between the English text and the translated text, the English text will be considered the official text of this MUD Agreement.

8.15. Incorporation of Riders. To the extent that any of the Riders to MUD Agreement for Specific States or Provinces attached as Attachment B are applicable, such rider is incorporated herein and this MUD Agreement is modified accordingly. The provisions in any applicable rider are included as a condition to registration or use in certain jurisdictions, and Bambu is not precluded from contesting the validity, enforceability, or applicability of such provisions in any action relating to this MUD Agreement or its rescission or termination.

8.16. Counterparts; Electronic Signatures. This MUD Agreement and any riders and addenda hereto may be executed in any number of identical counterparts and via electronic signatures, and each such counterpart shall be deemed a duplicate original hereof.

*[SIGNATURES APPEAR ON FOLLOWING PAGE]*

**IN WITNESS WHEREOF**, the parties hereto have caused this Multi-Unit Development Agreement to be executed effective as of \_\_\_\_\_.

**BAMBU FRANCHISING LLC**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**FRANCHISEE:**

\_\_\_\_\_ Individually

\_\_\_\_\_ Print Name

\_\_\_\_\_ Individually

\_\_\_\_\_ Print Name

**OR** (if a corporation or partnership)

\_\_\_\_\_ (Print Name)

By: \_\_\_\_\_

Its: \_\_\_\_\_

Franchisee's Address:

\_\_\_\_\_

\_\_\_\_\_

E-mail Address: \_\_\_\_\_

**ATTACHMENT A  
TO BAMBU FRANCHISING LLC  
MULTI-UNIT DEVELOPMENT AGREEMENT**

**ADDENDUM TO MULTI-UNIT DEVELOPMENT AGREEMENT**

This is an Addendum (“**Addendum**”) to the Multi-Unit Development Agreement (the “**MUD Agreement**”) by and between Bambu Franchising LLC, hereinafter “**Bambu**” and the undersigned franchisee, hereinafter “**Franchisee.**” This Addendum modifies the terms of the MUD Agreement and in the event of a conflict in terms between the MUD Agreement and this Addendum, the terms of this Addendum shall be controlling.

The parties agree as follows:

1. The number of Bambū shoppes to be developed in the Development Area referenced in Section 1.1 of the MUD Agreement (including the first Bambū shoppe to be opened pursuant to the MUD Agreement) shall be:\_\_\_\_\_.

2. The Development Area, as referred to in Section 1.1 of the MUD Agreement, is described below by geographic boundaries and on the attached map and shall consist of the following zip or postal codes or areas:

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3. The Development Fee to be paid by Franchisee to Bambu pursuant to Section 2.1(a) of the MUD Agreement shall be \$\_\_\_\_\_ (which does not include any portion of the initial franchise fee for the first shoppe to be developed hereunder).

4. The Development Schedule, as referred to in Section 3.1 of the MUD Agreement is:

<b>Bambū Shoppe Number</b>	<b>Date by Which Franchise Agreement Must be Signed and Submitted to Bambu</b>	<b>Cumulative Number of Bambū Shoppes Required to be Opened and Continuously Operated by Franchisee as of One Year* Following the Date in Preceding Column</b>
1	Date of this MUD Agreement	1
2		2
3		3
4		4
5		5

5. Other terms:

In witness whereof, the parties have executed this Addendum on \_\_\_\_\_.

BAMBU:

FRANCHISEE:

BAMBU FRANCHISING LLC

\_\_\_\_\_

By: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Title: \_\_\_\_\_

**ATTACHMENT B**  
**TO BAMBU FRANCHISING LLC**  
**MULTI-UNIT DEVELOPMENT AGREEMENT**

**RIDERS TO MULTI-UNIT DEVELOPMENT AGREEMENT FOR SPECIFIC STATES**

If any one or more of the following Riders to the Multi-Unit Development Agreement (“**MUD Agreement**”) for Specific States (“**Riders**”) is checked as an “Applicable Rider” below, then that Rider shall be incorporated into the MUD Agreement entered into by Bambu Franchising LLC and the undersigned Franchisee. To the extent any terms of an Applicable Rider conflict with the terms of the MUD Agreement, the terms of the Rider shall supersede the terms of the MUD Agreement.

**APPLICABLE RIDER:**

**United States Riders to Multi-Unit Development Agreement:**

- California
- Illinois
- Maryland
- Virginia
- Washington

Fully executed on \_\_\_\_\_.

**BAMBU:**

**BAMBU FRANCHISING LLC**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**FRANCHISEE:**

\_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

## **UNITED STATES RIDERS TO MUD AGREEMENT**

### **CALIFORNIA RIDER TO MUD AGREEMENT**

1. The following shall be added at the end of Section 2.1:

The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business. For California franchisees who sign a MUD Agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open

2. 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.

### **ILLINOIS RIDER TO MUD AGREEMENT**

1. Illinois law governs the MUD Agreement.

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

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

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

5. The following shall be added at the end of Section 2.1:

The Development Fee owed by Franchisee to Bambu shall be deferred until Bambu has fulfilled all of its initial obligations to Franchisee under the Franchise Agreement for Franchisee's first Bambu shoppe referenced in Section 1.3 and Franchisee has commenced business of that first Bambu shoppe. The Illinois Attorney General's Office imposed this deferral requirement due to Bambu's financial condition.

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.

7. See the FIRST page of this Attachment B for your signature.



## **MARYLAND RIDER TO MUD AGREEMENT**

1. The following shall be added at the end of Section 2.1:

Based on the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial franchise fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the MUD Agreement opens.

## **VIRGINIA RIDER TO MUD AGREEMENT**

1. The following shall be added at the end of Section 2.1:

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the Development Fee owed by Franchisee to Bambu until this Agreement until Bambu has completed its pre-opening obligations under the Franchise Agreement for Franchisee's first Bambu shoppe referenced in Section 1.3.

## **WASHINGTON RIDER TO MUD AGREEMENT**

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

2. RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

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

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

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

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

7. 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.

8. Because Bambu has material pre-opening obligations with respect to each Bambū shoppe that Franchisee opens under this MUD Agreement, the Washington Securities Division will require that the Development Fee be released proportionally with respect to each Bambū shoppe.

**EXHIBIT C  
(TO DISCLOSURE DOCUMENT)**

**NONDISCLOSURE AND NONCOMPETITION AGREEMENT**

This Nondisclosure and Noncompetition Agreement (this “**Agreement**”) is made and entered into effective on the day and date set forth below, by and among BAMBU FRANCHISING LLC, a Colorado limited liability company (“**Bambu**”), having an address of 6000 E. Evans Ave., Bldg 2, Suite 210, Denver, Colorado 80222, the franchisee named on the signature page of this Agreement (the “**Franchisee**”), and the associate of Franchisee named on the signature page of this Agreement (the “**Associate**”).

**RECITALS**

A. Bambu has developed methods for establishing, operating and promoting fast casual businesses offering featuring freshly made Vietnamese dessert drinks (Chè), Vietnamese style coffee drinks (Cà phê), Vietnamese style blended yogurts (Yonami), Asian-inspired teas (including Taiwanese Bubble Tea), and real fruit smoothies (Sinh Tố), with freshly made tapioca boba, house-prepared proprietary ingredients, and a wide-variety of drink toppings, along with mochi waffles and other complementary snack, food, and dessert items (“**Bambū shoppes**” or “**shoppes**”). Bambu franchises the operation of shoppes under its trade name and service mark “Bambū®” and other related service marks, logos, commercial symbols, trade names and trademarks (collectively, “**Marks**”).

B. Bambu and its affiliates have developed proprietary methods for establishing, operating and promoting Bambū shoppes utilizing certain confidential information as more fully described herein (“**Bambū system**”), and have established substantial goodwill and an excellent reputation with respect to the quality of the services available in a Bambū shoppe, which goodwill and reputation have been and will continue to be of major benefit to Bambu.

C. Franchisee is a franchisee under an effective franchise agreement (“**Franchise Agreement**”) with Bambu.

D. Associate is or will become involved with Franchisee in the capacity of an officer, partner, director, manager, agent, employee, independent contractor (such capacities collectively referred to as “**Affiliation**”) or is related to a person who has an Affiliation with Franchisee, and will become privileged as to certain confidential information related to Bambu, its operations and the Bambū shoppe.

E. Associate, Franchisee and Bambu have reached an understanding and agreement with regard to nondisclosure by Associate of confidential information and with respect to noncompetition by Associate with Bambu and Franchisee.

**NOW THEREFORE**, in consideration of the foregoing, the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Associate, Franchisee and Bambu, intending legally to be bound, agree as follows:

1. **Confidential Information.** Associate recognizes and agrees that certain proprietary information relating to Bambu and its operations and the operations of Bambū shoppes (“**Confidential Information**”) is owned by Bambu and is treated as confidential by Bambu and Franchisee, including without limitation, all proprietary information concerning Bambū shoppes; the Bambū system; the distinctive business format, plans, methods, drink and food item preparation information, recipes, menu, food preparation techniques, processes, and product formulas of a Bambū shoppe; designs; layouts;

operating procedures; all financial information of Bambu or Franchisee other than financial information filed with any government regulatory agency; marketing methods; sales and promotional methods; all nonpublic statistical information; the strategic plan, budgets and projections for Bambu; all information concerning negotiations of any kind conducted by Bambu whether pending or completed; all marketing research data and marketing plans; all information contained in the Bambū resource center materials, and any other manual or other nonpublic written information; internal lists of franchisees and customers of Bambū shoppes; and all other information which may be considered a trade secret or proprietary and such Confidential Information as may be further developed from time to time by Bambu.

**2. Use and Disclosure of Confidential Information.** Associate acknowledges that, in connection with Associate's Affiliation with Bambu or Franchisee, Bambu or Franchisee will disclose in strict confidence certain Confidential Information necessary for the operation of a Bambū shoppe. Associate specifically acknowledges that the Confidential Information is valuable, unique and comprises a substantial portion of the assets of Bambu; and Associate agrees that he or she will not utilize all or any portion of the same for Associate's personal benefit during the term of Associate's Affiliation with Franchisee, nor in any manner use the same subsequent to the termination of Associate's Affiliation with Bambu or Franchisee or the termination or expiration of the Franchise Agreement, nor disclose any of the same to any person, firm, corporation or other entity whatsoever at any time for any reason or purpose, without the prior written consent of Bambu. Associate shall not copy, publish or otherwise duplicate the Confidential Information or permit others to do so and shall return all Confidential Information to Franchisee upon termination of Associate's Affiliation with Franchisee. Associate may disclose to other employees, agents, or representatives of Bambu or Franchisee the Confidential Information only to the extent necessary for such employees, agents or representatives to carry out their intended function.

**3. Noncompetition Covenant.** Associate covenants and agrees that, during the term of his or her Affiliation, except in conjunction with Franchisee's Bambū shoppe in a manner authorized by Bambu and Franchisee, Associate shall not, either directly or indirectly through any member of Associate's immediate family, separate business entity, or otherwise:

(a) have any direct or indirect controlling interest as a disclosed or beneficial owner in a Competitive Business, defined below;

(b) perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business;

(c) divert or attempt to divert any business related to Bambu, Franchisee or any other franchisee of Bambu to any Competitive Business by direct inducement or otherwise; or

(d) divert or attempt to divert the employment of any employee or representative of Bambu, Franchisee or any other franchisee of Bambu to any Competitive Business by any direct inducement or otherwise.

The term "**Competitive Business**" as used in this Agreement means any business operating, or any business granting franchises or licenses to others to operate a retail or wholesale business deriving more than 10 percent of its gross receipts from preparation of or sale of teas, fruit dessert drinks, coffee or other products now or in the future offered or sold by Bambū shoppes. Notwithstanding the foregoing, Associate will not be prohibited by this Agreement from owning securities in a Competitive Business if such securities are listed on a stock exchange or traded on the over-the-counter market and represent 5 percent or less of that class of securities issued and outstanding.

4. **Post-Termination Covenant Not to Compete.** Associate covenants and agrees that, for a period of two years after the earlier of (i) the effective date of termination or expiration of Associate's Affiliation with Franchisee or Bambu, or (ii) the effective date of termination or expiration of the Franchisee's Franchise Agreement, neither Associate, nor any member of Associate's immediate family, shall have any direct or indirect interest as a disclosed or a beneficial owner, investor, partner, director, officer, manager, employee, consultant, representative or agent or in any other capacity in any Competitive Business located or operating within a 10 mile radius of the Franchised Location, as defined in the Franchise Agreement governing the Franchised Business, or within 10 miles of any Bambū shoppe owned by Franchisee or an affiliate of Franchisee, or within 10 miles of any other franchised or licensed Bambū shoppe. If Associate or any member of Associate's immediate family breaches this Section, then the two-year period under this Section shall start on the date that Associate or its family member, as applicable, is enjoined from such activity or ceases such activity, whichever is later. Associate expressly acknowledges that he or she possesses business and career skills and abilities of a general nature and has other opportunities for exploiting such skills and abilities. Consequently, enforcement of this covenant will not deprive Associate of his or her personal goodwill or ability to earn a living.

5. **Injunction.** Associate acknowledges and agrees that in the event of any breach or threatened breach of this Agreement, Bambu and Franchisee, or either one separately, shall be authorized and entitled to seek, from any court of competent jurisdiction, preliminary and permanent injunctive relief in addition to any other rights or remedies to which Bambu and/or Franchisee may be entitled. Associate agrees that Bambu may obtain such injunctive relief, without posting a bond or bonds totaling more than \$500, but upon due notice, and Associate's sole remedy in the event of the entry of such injunctive relief shall be dissolution of such injunctive relief, if warranted, upon hearing duly had; provided, however, that all claims for damages by reason of the wrongful issuance of any such injunction are hereby expressly waived by Associate.

6. **Assignment.** Both Franchisee and Bambu may assign all or part of this Agreement and the rights which inure to either of them hereunder without the consent of Associate, provided that any assignment by Franchisee shall require the written consent of Bambu. This Agreement shall not be assignable by Associate.

7. **Effect of Waiver.** The waiver by Associate, Franchisee or Bambu of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach thereof, and in no event shall such a waiver be binding upon Bambu unless it is in writing and signed by an authorized representative of Bambu.

8. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of Associate, Franchisee and Bambu and their respective heirs, executors, representatives, successors and assigns.

9. **Entire Agreement.** This instrument contains the entire agreement of Associate, Franchisee and Bambu relating to the matters set forth herein. It may not be changed orally, but only by an agreement in writing, signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought. Further, both Associate and Franchisee agree that no change to this Agreement shall be made without the written consent of Bambu having first been obtained.

**10. Governing Law.** This instrument shall be governed by and construed under the laws of the State of Colorado, U.S.A.

**11. Arbitration.** Any and all controversies, disputes or claims between Bambu, its subsidiaries and affiliated companies or their shareholders, members, managers, officers, directors, agents, employees and attorneys (in their representative capacity); Franchisee, its shareholders, members, managers, officers, directors, agents and employees; and/or Associate arising out of or related to: (1) this Agreement; (2) the relationship of the parties; or (3) the validity of this Agreement shall be submitted for binding arbitration; except for actions for injunctive relief pursuant to Section 5 above, which actions Bambu and/or Franchisee at their option may bring either in a court of competent jurisdiction or in arbitration. If Bambu is a party to any controversy, dispute or claim, such arbitration proceedings shall be conducted in Denver, Colorado, U.S.A., will be submitted to either the Judicial Arbitrator Group or the American Arbitration Association (“AAA”), as selected by the party submitting the arbitration demand, and will be heard by one arbitrator in accordance with the then current rules of AAA applicable to commercial arbitration. The arbitrator shall be a resident of the State of Colorado, U.S.A. knowledgeable of Colorado law and fluent in English. The arbitration proceeding and all other hearings shall be conducted in English only, although Associate shall have the right, at Associate’s option and sole expense, to have a translator present at the proceeding or other hearings. If Bambu is not a party to such controversy, dispute or claim, such arbitration proceedings shall be conducted within the area in which Franchisee’s Bambū shoppe is based and will be heard by one arbitrator in accordance with the then current commercial arbitration rules of any arbitration group mutually acceptable to Franchisee and Associate, and if Franchisee and Associate cannot agree on an arbitration group within 30 days after demand for arbitration, then the AAA shall conduct such arbitration in accordance with its then current commercial arbitration rules. The decision as to whether a claim is subject to mandatory arbitration shall be made by an arbitrator, not a court.

**12. Severability.** If any provision of this Agreement is held, declared or pronounced void, voidable, invalid, unenforceable or inoperative for any reason, by any court of competent jurisdiction, government authority, arbitrator or otherwise, the parties authorize and request such court, governmental authority, or arbitrator to modify the provision held to be void, voidable, invalid, unenforceable or inoperative to contain such lesser covenants that impose the maximum duty permitted by law so that the provision is upheld as valid, and the parties agree to be bound by the modified provision. The holding, declaration or pronouncement shall not affect adversely any other provisions of this Agreement, which shall otherwise remain in full force and effect.

**13. Attorneys’ Fees.** If Bambu or Franchisee must enforce any of the provisions or rights under this Agreement in any action at law or in equity and if the Bambu and/or Franchisee is successful in such litigation or arbitration as determined by the court or arbitrator in a final judgment or decree, then the Associate shall pay Bambu or Franchisee, as applicable, all costs, expenses and reasonable attorneys’ fees incurred by Bambu and/or Franchisee (including without limitation such costs, expenses and fees on any appeals), and if Bambu and/or Franchisee receives a judgment in any such action or proceeding, such costs, expenses and attorneys’ fees shall be included as part of such judgment.

**14. Definitions.** All capitalized terms not defined in this Agreement have the respective meanings set forth in the effective Franchise Agreement between Franchisee and Bambu.

**15. Cross Default.** A default by Associate under this Agreement will be deemed a default of all agreements between Franchisee and Bambu, unless waived by Bambu in writing.

**16. Counterparts; Electronic Signatures.** This Agreement may be executed in counterparts and via electronic signatures.

The parties have signed this Agreement on \_\_\_\_\_.

**BAMBU:**

BAMBU FRANCHISING LLC,  
a Colorado limited liability company

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**FRANCHISEE:**

\_\_\_\_\_  
a \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**ASSOCIATE:**

\_\_\_\_\_  
Print Name: \_\_\_\_\_

**RIDERS TO THE NONDISCLOSURE AND NONCOMPETITION AGREEMENT FOR SPECIFIC STATES OR COUNTRIES**

If any one of the following Riders to the Nondisclosure and Noncompetition Agreement for Specific States or Countries (“**Riders**”) is checked as an “**Applicable Rider**” below, then that Rider shall be incorporated into the Nondisclosure and Noncompetition Agreement entered into by Bambu Franchising LLC and the undersigned Associate and Franchisee. To the extent any terms of an Applicable Rider conflict with the terms of the Nondisclosure and Noncompetition Agreement, the terms of the Applicable Rider shall supersede the terms of the Nondisclosure and Noncompetition Agreement.

**APPLICABLE RIDER**

- INDIANA
- NORTH DAKOTA
- WASHINGTON
- CANADA (All Provinces)

**BAMBU:**

**BAMBU FRANCHISING LLC,**  
a Colorado limited liability company

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**FRANCHISEE:**

\_\_\_\_\_  
a \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**ASSOCIATE:**

\_\_\_\_\_  
Print Name: \_\_\_\_\_



## **INDIANA RIDER TO THE NONDISCLOSURE AND NONCOMPETITION AGREEMENT**

1. Section 4 is reduced in scope to apply only to a 10 mile radius of the location of the Franchised Location.
2. Section 10 is deleted and replaced with the following language:
  10. **Governing Law.** Except to the extent governed by the Indiana Franchise Disclosure Law or the Indiana Deceptive Franchise Practices Law, this instrument shall be governed by and construed under the laws of the State of Colorado, U.S.A.

## **NORTH DAKOTA RIDER TO THE NONDISCLOSURE AND NONCOMPETITION AGREEMENT**

1. The North Dakota Securities Commissioner has held the following to be unfair, unjust or inequitable to North Dakota franchisees:
  - A. Restrictive Covenants: Franchise Disclosure Documents which disclose the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to this statute.
  - B. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business.
  - C. Restrictions on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.
  - D. Applicable Laws: Franchise agreements which specify that they are to be governed by the laws of a state other than North Dakota.

## **WASHINGTON RIDER TO THE NONDISCLOSURE AND NONCOMPETITION AGREEMENT**

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

**CANADA RIDER TO THE NONDISCLOSURE AND NONCOMPETITION AGREEMENT**

1. Bambu, the Franchisee, and Associate agree that they shall not be restricted by this Agreement from soliciting or hiring each other's employees to the extent that such restriction would be prohibited by applicable law. Any provision of this Agreement to the contrary is hereby deemed amended accordingly.

**EXHIBIT D  
(TO DISCLOSURE DOCUMENT)**

**BAMBU FRANCHISING LLC**

**CLOSING ACKNOWLEDGEMENT**

A. The following are true and correct:

1. Yes \_\_\_ No \_\_\_ I had a face-to-face meeting with a franchise marketing representative.

If yes, the date of said meeting was: \_\_\_\_\_

2. \_\_\_\_\_. The date which I received the Franchise Disclosure Document about the Franchise.
3. \_\_\_\_\_. The date I received a fully completed copy (other than signatures) of the Franchise Agreement I later signed.
4. \_\_\_\_\_. The earliest date on which I signed the Franchise Agreement or any other binding document (not including the Receipt of Disclosure Document).
5. \_\_\_\_\_. The earliest date on which I delivered cash, check or consideration to the franchise marketing representative or any other person.

B. In order to ensure that your decision to purchase a Bambū franchise from Bambu Franchising, LLC (“**BFL**”) is based upon your own independent investigation and judgment, please complete and sign this Closing Acknowledgement. I confirm the following [please change, in handwriting, and initial any change necessary]:

1. I have not received any information, either verbal or written, regarding the sales, revenues, earnings, income or profits of Bambū shoppes from any officer, employee, agent or area sales representative of BFL, except as set forth in Item 19 of BFL’s Disclosure Document.
2. I have not received any assurances, promises or predictions of how well my Bambū shoppe will perform financially from any officer, employee, agent or area sales representative of BFL, except as may be set forth in Item 19 of BFL’s Disclosure Document.
3. I have made my own independent determination that I have adequate working capital to develop, open and operate my Bambū shoppe.
4. I acknowledge that BFL will give me written guidelines to assist me in locating a site for my shoppe, but I also understand that I am responsible for the final decision regarding the selection of a suitable site.
5. I am not relying on any promises of BFL which are not contained in the Bambū franchise agreement.
6. I understand that my investment in a Bambū shoppe contains substantial business risks and that there is no guarantee that it will be profitable.

7. I have been advised by BFL and its representatives to seek professional legal and financial advice in all matters concerning the purchase of my Bambū shoppe.
8. I acknowledge that the success of my Bambū shoppe depends in large part upon my ability as an independent business person and my active participation in the day-to-day operation of the shoppe.
9. The name(s) of the person(s) with whom I dealt in the purchase of my Bambū shoppe is/are \_\_\_\_\_ . I acknowledge that I have listed this/these person(s) on the receipt page of the Franchise Disclosure Document and delivered the executed receipt page to BFL.

Dated: \_\_\_\_\_.

**PROSPECTIVE FRANCHISEE**

\_\_\_\_\_  
Print Name

By: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT E  
(TO DISCLOSURE DOCUMENT)**

**SUCCESSOR FRANCHISE RIDER TO  
BAMBU FRANCHISING LLC FRANCHISE AGREEMENT**

BAMBU FRANCHISING LLC (“Bambu”) and \_\_\_\_\_ (“Franchisee”) are signing a BAMBU FRANCHISING LLC Franchise Agreement (“Agreement”) contemporaneously herewith and desire to supplement and amend certain terms and conditions of such Agreement by this Successor Franchise Rider to Bambu Franchising LLC Franchise Agreement (“Rider”). Initial capitalized terms not otherwise defined herein shall have the same meanings as set forth in the Agreement. The parties therefore agree as follows:

1. **Initial Franchise Fee/Training Fee/Successor Franchise Fee.** Sections 4.1 and 4.2 are deleted in their entirety. Franchisee will pay to Bambu a Successor Franchise Fee upon or prior to execution of this rider in the amount of \$\_\_\_\_\_.

2. **Initial Training Program.** Section 6.1 is deleted in its entirety. Notwithstanding the foregoing, the definitions of “Bambū Certified Team Leader” and “Training Program,” as provided in Section 6.1, shall remain effective and have the meaning set forth therein.

3. **Length of Training.** Section 6.2 is deleted in its entirety.

4. **Bambu’s Development Assistance.** Section 7.1 is deleted in its entirety.

5. **Payment Terms.** The first sentence of Section 12.3 is deleted in its entirety and replaced with the following:

The monthly portion of the Royalty Fee and the Marketing and Technology Fee shall be payable on the first day of each month.

6. **Initial Marketing and Promotional Campaign.** Section 13.5 is deleted in its entirety.

7. **Successor Franchise Terms.** In accordance with Section 18.3.c, Franchisee is required to upgrade its Bambū shoppe and operations to conform with Bambu’s current standards and specifications as follows:\_\_\_\_\_

8. **Release.** Franchisee, for itself and its affiliates, and their respective current and former successors, assigns, officers, shareholders, directors, members, managers, agents, heirs and personal representatives (“Franchisee Affiliates”), hereby fully and forever unconditionally release and discharge Bambu and its affiliates, and their respective successors, assigns, agents, representatives, employees, officers, shareholders, directors, members, managers and insurers (collectively referred to as “Bambu Affiliates”) from any and all claims, demands, obligations, actions, liabilities and damages of every kind and nature whatsoever (“Released Claims”), in law or in equity, whether known or unknown, which Franchisee or the Franchisee Affiliates may now have against Bambu or the Bambu Affiliates or which may hereafter be discovered. Without limiting the foregoing, Released Claims includes, but is not limited to, all claims, demands, obligations, actions, liabilities and damages, known or unknown, in any way arising from or relating to: (i) any relationship or transaction with Bambu or the Bambu Affiliates, (ii) the Franchise Agreement or any related agreements, and (iii) the franchise relationship, from the beginning of time until the date of this Rider.

**[APPLIES ONLY IN CALIFORNIA]** 7(a) Release of Unknown Claims and Waiver of California Law. Franchisee and the Franchisee Affiliates acknowledge that they are aware and informed that the laws of California may purport to limit or reduce the effect of a general release with respect to claims not known or suspected by them at the time of execution of the Release, such as Section 1542 of the Civil Code of the State of California, which provides as follows:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release which, if known by him or her, must have materially affected the settlement with the debtor.”

Franchisee and the Franchisee Affiliates waive and relinquish every right or benefit which they have, or may have, under Section 1542 of the Civil Code of the State of California, and under any similar provisions of any other law (as may be applicable to this Release), to the fullest extent that Franchisee and the Franchisee Affiliates may lawfully waive such right or benefit pertaining to the subject matter of this Release. In connection with such waiver and relinquishment, with respect to the Released Claims, Franchisee and the Franchisee Affiliates acknowledge that they are aware and informed that they may hereafter discover facts in addition to or different from those that they now know or believe to be true with respect to the subject matter of this Release, but that it is Franchisee’s and the Franchisee Affiliates’ intention to settle and release fully, and finally and forever, all Released Claims, disputes and differences, known or unknown, suspected or unsuspected, which now exist, may exist or heretofore existed, and in furtherance of such intention, the Release given herein shall be and remain in effect as a full and complete release, notwithstanding the discovery or existence of any such additional or different facts that would have affected the release of all Released Claims. Franchisee and the Franchisee Affiliates agree to defend, indemnify and hold harmless Bambu and the Bambu Affiliates from any and all Released Claims arising out of, directly or indirectly, the assertion by Franchisee and the Franchisee Affiliates (or any person or entity by, through, or on their behalf) of any Released Claims, positions, defenses, or arguments contrary to this Section 7(a) of this Rider.

**[APPLIES ONLY IN MONTANA]** 7(b) Release of Unknown Claims and Waiver of Montana Law. Franchisee and the Franchisee Affiliates acknowledge that they are aware and informed that the laws of Montana may purport to limit or reduce the effect of a general release with respect to claims not known or suspected by them at the time of execution of this Rider, such as Section 28-1-1602 of the Montana Code Annotated, which provides as follows:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.”

Franchisee and the Franchisee Affiliates waive and relinquish every right or benefit which they have, or may have, under Section 28-1-1602 of the Montana Code Annotated, and under any similar provisions of any other law (as may be applicable to this Agreement), to the fullest extent that they may lawfully waive such right or benefit pertaining to the subject matter of this Rider. In connection with such waiver and relinquishment, with respect to the Released Claims, Franchisee and the Franchisee Affiliates acknowledge that they are aware and informed that they may hereafter discover facts in addition to or different from those that Franchisee and the Franchisee Affiliates now know or believe to be true with respect to the subject matter of this Rider, but that it is their intention to settle and release fully, and finally and forever, all Released

Claims, disputes and differences, known or unknown, suspected or unsuspected, which now exist, may exist or heretofore existed, and in furtherance of such intention, the Release given herein shall be and remain in effect as a full and complete release, notwithstanding the discovery or existence of any such additional or different facts that would have affected the release of all Released Claims. Franchisee and the Franchisee Affiliates agree to defend, indemnify and hold harmless Bambu and the Bambu Affiliates from any and all Released Claims arising out of, directly or indirectly, the assertion by Franchisee and the Franchisee Affiliates (or any person or entity by, through, or on behalf of Franchisee) of any Released Claims, positions, defenses, or arguments contrary to this Section 7(b) of this Rider.

**[APPLIES ONLY IN NORTH DAKOTA]** 7(c) Release of Unknown Claims and Waiver of North Dakota Law. Franchisee and the Franchisee Affiliates acknowledge that they are aware and informed that the laws of North Dakota may purport to limit or reduce the effect of a general release with respect to claims not known or suspected by them at the time of execution of the Release, such as Section 9-13-02 of the North Dakota Century Code, which provides as follows:

“A general release does not extend to claims which the creditor does not know or suspect to exist in the creditor’s favor at the time of executing the release, which if known by the creditor, must have materially affected the creditor’s settlement with the debtor.”

Franchisee and the Franchisee Affiliates waive and relinquish every right or benefit which they have, or may have, under Section 9-13-02 of the North Dakota Century Code, and under any similar provisions of any other law (as may be applicable to this Release), to the fullest extent that Franchisee and the Franchisee Affiliates may lawfully waive such right or benefit pertaining to the subject matter of this Release. In connection with such waiver and relinquishment, with respect to the Released Claims, Franchisee and the Franchisee Affiliates acknowledge that they are aware and informed that they may hereafter discover facts in addition to or different from those that they now know or believe to be true with respect to the subject matter of this Release, but that it is Franchisee’s and the Franchisee Affiliates’ intention to settle and release fully, and finally and forever, all Released Claims, disputes and differences, known or unknown, suspected or unsuspected, which now exist, may exist or heretofore existed, and in furtherance of such intention, the Release given herein shall be and remain in effect as a full and complete release, notwithstanding the discovery or existence of any such additional or different facts that would have affected the release of all Released Claims. Franchisee and the Franchisee Affiliates agree to defend, indemnify and hold harmless Bambu and the Bambu Affiliates from any and all Released Claims arising out of, directly or indirectly, the assertion by Franchisee and the Franchisee Affiliates (or any person or entity by, through, or on their behalf) of any Released Claims, positions, defenses, or arguments contrary to this Section 7(c) of this Rider.

**9. General.** This Rider shall be construed and enforced in accordance with, and governed by, the laws of the State of Colorado. Nothing in this Rider is intended to disclaim any representations made by Bambu in the most recent franchise disclosure document provided by Bambu or its representatives to Franchisee in connection with any exercise of successor franchise rights. The headings are for convenience in reference only and shall not limit or otherwise affect the meaning hereof. This Rider may be executed in any number of counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. If any provision of this Rider shall be held by a court of competent jurisdiction to be invalid or unenforceable, such provision shall be deemed modified to eliminate the invalid or unenforceable element and, as so modified, such provision shall be deemed a part of this Rider as though originally included. The remaining provisions of this Rider

shall not be affected by such modification. All provisions of this Rider are binding and shall inure to the benefit of the Parties and their respective delegates, successors and assigns.

**10. Inconsistent Terms.** The terms and conditions of this Rider are in addition to or in explanation of the existing terms and conditions of the Agreement and shall prevail over and supersede any inconsistent terms and conditions thereof.

Fully executed on \_\_\_\_\_.

**BAMBU FRANCHISING LLC**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**FRANCHISEE:**

\_\_\_\_\_  
\_\_\_\_\_, Individually

**OR:**

\_\_\_\_\_  
Company Name

By: \_\_\_\_\_  
Title: \_\_\_\_\_



**EXHIBIT F  
(TO DISCLOSURE DOCUMENT)**

**GENERAL RELEASE**

**THIS GENERAL RELEASE (“Release”)** is made effective as of the date set forth on the signature page hereto by \_\_\_\_\_, individually and \_\_\_\_\_, a \_\_\_\_\_ [corporation/limited liability company] (collectively, “**Franchisee**”) in favor of Bambu Franchising LLC, a Colorado limited liability company (“**Bambu**”) (collectively referred to as “**Parties**”), who, on the basis of the following agreements, agree as follows:

A. The Parties have entered into that certain Franchise Agreement dated \_\_\_\_\_, 20\_\_ (“**Franchise Agreement**”), which governs the development and operation of a Bambū shoppe (“**Bambū shoppe**” or “**shoppe**”) (to the extent not otherwise defined herein, all initial-capitalized references shall have the same meaning as set forth in the Franchise Agreement);

B. Franchisee desires to transfer the Franchise Agreement, the ownership of Franchisee, or the Bambū shoppe or some or all of the assets of the shoppe;

**OR**

B. Franchisee desires to enter into a successor agreement to the existing Franchise Agreement;

C. The Bambu desires to consent to Franchisee’s request subject to Franchisee’s compliance with the terms and conditions set forth in the Franchise Agreement including, without limitation, the execution and delivery by Franchisee to Bambu of this Release.

1. **Release.** Franchisee, for itself and its affiliates, and their respective current and former successors, assigns, officers, shareholders, directors, members, managers, agents, heirs and personal representatives (“**Franchisee Affiliates**”), hereby fully and forever unconditionally releases and discharges Bambu and its affiliates, and their respective successors, assigns, agents, representatives, employees, officers, shareholders, directors, members, managers and insurers (collectively referred to as “**Bambu Affiliates**”) from any and all claims, demands, obligations, actions, liabilities and damages of every kind and nature whatsoever (“**Released Claims**”), in law or in equity, whether known or unknown, which Franchisee or the Franchisee Affiliates may now have against Bambu or the Bambu Affiliates or which may hereafter be discovered. Without limiting the foregoing, Released Claims includes, but is not limited to, all claims, demands, obligations, actions, liabilities and damages, known or unknown, in any way arising from or relating to: (i) any relationship or transaction with Bambu or the Bambu Affiliates, (ii) the Franchise Agreement or any related agreements, and (iii) the franchise relationship, from the beginning of time until the date of this Release.

**[APPLIES ONLY IN CALIFORNIA]** 1.(a) Release of Unknown Claims and Waiver of California Law. Franchisee and the Franchisee Affiliates acknowledge that they are aware and informed that the laws of California may purport to limit or reduce the effect of a general release with respect to claims not known or suspected by them at the time of execution of the Release, such as Section 1542 of the Civil Code of the State of California, which provides as follows:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release which, if known by him, must have materially affected the settlement with the debtor.”

Franchisee and the Franchisee Affiliates waive and relinquish every right or benefit which they have, or may have, under Section 1542 of the Civil Code of the State of California, and under any similar provisions of any other law (as may be applicable to this Release), to the fullest extent that Franchisee and the Franchisee Affiliates may lawfully waive such right or benefit pertaining to the subject matter of this Release. In connection with such waiver and relinquishment, with respect to the Released Claims, Franchisee and the Franchisee Affiliates acknowledge that they are aware and informed that they may hereafter discover facts in addition to or different from those that they now know or believe to be true with respect to the subject matter of this Release, but that it is Franchisee's and the Franchisee Affiliates' intention to settle and release fully, and finally and forever, all Released Claims, disputes and differences, known or unknown, suspected or unsuspected, which now exist, may exist or heretofore existed, and in furtherance of such intention, the Release given herein shall be and remain in effect as a full and complete release, notwithstanding the discovery or existence of any such additional or different facts that would have affected the release of all Released Claims. Franchisee and the Franchisee Affiliates agree to defend, indemnify and hold harmless Bambu and the Bambu Affiliates from any and all Released Claims arising out of, directly or indirectly, the assertion by Franchisee and the Franchisee Affiliates (or any person or entity by, through, or on their behalf) of any Released Claims, positions, defenses, or arguments contrary to this Section 1(a) of this Release.

**[APPLIES ONLY IN MONTANA]** 1.(b) Release of Unknown Claims and Waiver of Montana Law. Franchisee and the Franchisee Affiliates acknowledge that they are aware and informed that the laws of Montana may purport to limit or reduce the effect of a general release with respect to claims not known or suspected by Releasor at the time of execution of this Release, such as Section 28-1-1602 of the Montana Code Annotated, which provides as follows:

“A general release does not extend to claims that the creditor does not know or suspect to exist in the creditor's favor at the time of executing the release, which, if known by the creditor, must have materially affected the creditor's settlement with the debtor.”

Franchisee and the Franchisee Affiliates waive and relinquish every right or benefit which they have, or may have, under Section 28-1-1602 of the Montana Code Annotated, and under any similar provisions of any other law (as may be applicable to this Release), to the fullest extent that they may lawfully waive such right or benefit pertaining to the subject matter of this Release. In connection with such waiver and relinquishment, with respect to the Released Claims, Franchisee and the Franchisee Affiliates acknowledge that they are aware and informed that they may hereafter discover facts in addition to or different from those that Franchisee and the Franchisee Affiliates now know or believe to be true with respect to the subject matter of this Release, but that it is their intention to settle and release fully, and finally and forever, all Released Claims, disputes and differences, known or unknown, suspected or unsuspected, which now exist, may exist or heretofore existed, and in furtherance of such intention, the Release given herein shall be and remain in effect as a full and complete release, notwithstanding the discovery or existence of any such additional or different facts that would have affected the release of all Released Claims. Franchisee and the Franchisee Affiliates agree to defend, indemnify and hold harmless Bambu and the Bambu Affiliates from any and all Released Claims arising out of, directly or indirectly, the assertion by Franchisee and the Franchisee Affiliates (or any person or entity by, through, or on behalf of Releasor) of any Released Claims, positions, defenses, or arguments contrary to this Section 1.(b) of this Release.

**[APPLIES ONLY IN NORTH DAKOTA]** 1.(c) Release of Unknown Claims and Waiver of North Dakota Law. Franchisee and the Franchisee Affiliates acknowledge that they are aware

and informed that the laws of North Dakota may purport to limit or reduce the effect of a general release with respect to claims not known or suspected by them at the time of execution of this Release, such as Section 9-13-02 of the North Dakota Century Code, which provides as follows:

“A general release does not extend to claims which the creditor does not know or suspect to exist in the creditor’s favor at the time of executing the release, which if known by the creditor, must have materially affected the creditor’s settlement with the debtor.”

Franchisee and the Franchisee Affiliates waive and relinquish every right or benefit which they have, or may have, under Section 9-13-02 of the North Dakota Century Code, and under any similar provisions of any other law (as may be applicable to this Release), to the fullest extent that they may lawfully waive such right or benefit pertaining to the subject matter of this Release. In connection with such waiver and relinquishment, with respect to the Released Claims, Franchisee and the Franchisee Affiliates acknowledge that they are aware and informed that they may hereafter discover facts in addition to or different from those that Franchisee and the Franchisee Affiliates now know or believe to be true with respect to the subject matter of this Release, but that it is their intention to settle and release fully, and finally and forever, all Released Claims, disputes and differences, known or unknown, suspected or unsuspected, which now exist, may exist or heretofore existed, and in furtherance of such intention, the Release given herein shall be and remain in effect as a full and complete release, notwithstanding the discovery or existence of any such additional or different facts that would have affected the release of all Released Claims. Franchisee and the Franchisee Affiliates agree to defend, indemnify and hold harmless Bambu and the Bambu Affiliates from any and all Released Claims arising out of, directly or indirectly, the assertion by Franchisee and the Franchisee Affiliates (or any person or entity by, through, or on behalf of Releasor) of any Released Claims, positions, defenses, or arguments contrary to this Section l.(c) of this Release.

**2. General.** This Release shall be construed and enforced in accordance with, and governed by, the laws of the State of Colorado. This Release embodies the entire agreement and understanding between the Parties and supersedes all prior agreements and understandings relating to the subject matter hereof; and this Release may not be modified or amended or any term hereof waived or discharged except in writing signed by the party against whom such amendment, modification, waiver or discharge is sought to be enforced. Nothing in this Release is intended to disclaim any representations made by Bambu in the most recent franchise disclosure document provided by Bambu or its representatives to Franchisee in connection with any successor to the Franchise Agreement. The headings are for convenience in reference only and shall not limit or otherwise affect the meaning hereof. This Release may be executed in any number of counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. If any provision of this Release shall be held by a court of competent jurisdiction to be invalid or unenforceable, such provision shall be deemed modified to eliminate the invalid or unenforceable element and, as so modified, such provision shall be deemed a part of this Release as though originally included. The remaining provisions of this Release shall not be affected by such modification. All provisions of this Release are binding and shall inure to the benefit of the Parties and their respective delegates, successors and assigns.

**FOR WASHINGTON FRANCHISEES ONLY:**

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act, RCW 19.100, or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel.

**IN WITNESS WHEREOF**, the Parties have caused this Release to be made effective on

\_\_\_\_\_.

**BAMBU FRANCHISING LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**FRANCHISEE:**

\_\_\_\_\_  
Individually

\_\_\_\_\_  
Individually

AND:  
(if a corporation, limited liability company or  
partnership)

\_\_\_\_\_  
Company

By: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT G  
(TO DISCLOSURE DOCUMENT)**

**OWNERS' OPERATIONS MANUAL**

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**EXHIBIT H  
(TO DISCLOSURE DOCUMENT)**

**LIST OF FRANCHISEES  
As of December 31, 2023**

**California**

Truong Tran  
Tran Investment Group LLC  
8139 Elk Grove Blvd.  
Elk Grove, CA 95758  
916-919-9718

Stephanie Tran  
Sylvie Ella's Desserts, LLC  
1870 Prairie City Rd.  
Folsom, CA 95630  
209-662-3601

George Quach  
Tiffany Le  
G & T Entertainment Inc.  
3145 E. Mayfair Ct.  
Fresno, CA 93703  
559-233-4195

George Quach  
Tiffany Le  
G & T Entertainment Inc.  
6702 North Cedar Ave., No. 103  
Fresno, CA 93710  
559-233-4195

Luan Truong  
LTTV Enterprise LLC  
9762 Chapman Ave.  
Garden Grove, CA 92841  
408-421-5446

Edmund Chan  
230 El Camino Real  
Millbrae, CA 94030  
650-269-8448

Aaron Tran  
TV Sweet Corner Corp  
89 S. Park Victoria Drive  
Milpitas, CA 95035  
408-945-8989

Thu Nguyen  
Thu Anh Nguyen Desserts LLC  
839 International Blvd., #E  
Oakland, CA 94606  
510-663-4410

Veronica Vu  
Modern Dessert Sacramento Inc.  
6901 Stockton Blvd.  
Sacramento, CA 95823  
916-422-0268

Paul Young  
Ai&P LLC  
6050 Geary Boulevard #101  
San Francisco, CA 94121  
415-379-4683

Kelly Pham  
Sweet Bean Inc.  
1908 Aborn Road  
San Jose, CA 95121  
408-387-3765

Diem Vu  
Sweet Tweet, Inc.  
1688 Hostetter Road, #D  
San Jose, CA 95131  
408-392-8238

Diem Vu  
Sweet Tweet, Inc.  
949 McLaughlin Avenue  
San Jose, CA 95122  
408-283-9666

Marie Lou Munson  
Jiarnma LLC  
153 B St.  
San Mateo, CA 94401  
650-539-3004

Mai Thi Tran  
KaveT LLC  
3700 Thomas Rd., #101  
Santa Clara, CA 95054  
408-352-5365

Rattana Sem  
JME Investments  
1304 East Hammer Lane, Suite 11  
Stockton, CA 95210  
209-808-5182

Oanh Ho  
Victoria2012, LLC  
189 W. Washington Ave.  
Sunnyvale, CA 94086  
408-739-2449

Lalie Cuision  
M & L and Sons, LLC  
1865 W. 11<sup>th</sup> St,  
Tracy, CA 95376  
925-428-7101

Tuyet Nguyen  
Katie Juicy, LLC  
10161 Balsa Avenue #109A  
Westminster, CA 92683  
714-418-9032

### **Colorado**

Marc Geman  
BambuAV, Ltd.  
1000 Chopper Circle  
Denver, CO 80204  
303-808-9393  
(Institutional Facility)

Jacob Sun  
SunBerry LLC  
6476 Ward Rd.  
Arvada, CO 80004  
720-212-3077

### **Florida**

Tony Tran  
TranHoang LLC  
5210 West Colonial Dr. #142  
Orlando, FL 32808  
407-286-4085

Long Vy Huynh  
LV Joint Ventures LLC  
4699 Park Blvd.  
Pinellas Park, FL 33781  
813-482-5468

### **Illinois**

Kelly Nguyen  
Che Broadway LLC  
5010 Broadway St.  
Chicago, IL 60640  
773-293-7234

### **Kansas**

Scott Bachman  
Chelatte KC LLC  
3920 Rainbow Rd.  
Kansas City, KS 55103  
612-205-5327

### **Louisiana**

Duyan Nguyen  
DP & P Desserts LLC  
4401 Veterans Memorial Blvd., #101  
Metairie, LA 70006  
504-380-4141

### **Maryland**

Jackie Vo  
Vo Cuisine, LLC  
802 Fleet St.  
Baltimore, MD 21202  
804-349-8743

### **Massachusetts**

Dang Pham\*  
Slicecorp. Inc.  
287 Adams St. #2  
Dorchester, MA 02122  
508-808-4895

Paul Le  
KP Dessert LLC  
199 Plain St.  
Lowell, MA 01852  
978-726-9890

### **Michigan**

Kat Shinohara\*  
Sweet Clover LLC  
3354 Washtenaw Ave.  
Ann Arbor, MI 48104  
248-962-5187

Farooq Hague  
Hague Franchises LLC  
45152 Ford Rd.  
Canton, MI 48187  
248-835-2521

Tamar Safwan  
SAF1 Franchises LLC  
24676 Ford Rd.  
Dearborn Heights, MI 48127  
313-778-8026



Bobba Johns LLC  
3517 Beeline Rd.  
Holland, MI 49424  
616-414-2018

Du Lam  
Monkey Tea, LLC  
5390 S. Division  
Kentwood, MI 49548  
714-616-9872

Scott Bachman  
Chelatte Dallas LLC  
30804 Johns Rd.  
Madison Heights, MI 48071  
586-229-4137

Meenu Chabra  
Guru Meher LLC  
15408 Sheldon Rd.  
Northville, MI 48168  
425-283-2001

#### **Minnesota**

Hoang Do  
GG Drinks Inc.  
2743 Nicollet Ave.  
Minneapolis, MN 55408  
612-787-6166

#### **Mississippi**

Quan Le  
Le Desserts & Drinks, Inc.  
3680 Sangani Blvd., Ste. J  
D'iberville, MS 39540  
856-236-7409

#### **Nevada**

Santy Luangpraseuth  
DJ Enterprise LV LLC  
4069 Spring Mountain Road, Suite B  
Las Vegas, NV 89102  
702-629-7726

#### **New Jersey**

Mohammed Rahman  
Nadia & Sadia LLC  
123 N. Michigan Ave., #100B 1  
Atlantic City, NJ 08401  
609233-9951

Thi Chin  
Sweet Delights by cLc LLC  
190 Hamilton Commons Dr. #10  
Mays Landing, NJ 08330  
609-837-9997

#### **New York**

Damion Hoang  
NY Desserts & Drinks, Inc.  
2350 Nesconset Highway  
Stony Brook, NY 11790  
631-364-9360

Chinh Nguyen  
CYF, LLC  
4131 W. Genesee St.  
Syracuse, NY 13219  
315-744-6599

#### **North Carolina**

Zoe Tran  
Z&F Che, Inc.  
90 Cornerstone Dr.  
Cary, NC 27519  
206-849-7485

#### **Ohio**

Sinith Chhour  
Columbusdrink LLC  
827 Bethal Rd.  
Columbus, OH 43214  
614-209-1614

#### **Oregon**

Lannette Do  
Bamboo Dynasty LLC  
8001 SE Powell Blvd., Suite M  
Portland, OR 97206  
503-774-2005

#### **Pennsylvania**

Laura Nguyen  
Bambu Phila 1 LLC  
600 Washington Ave., #9  
Philadelphia, PA 19147  
267-368-4422

Carroll Nguyen  
Refreshing Concepts LLC  
5520 Whittaker Ave.  
Philadelphia, PA 19142  
267-226-5427

**Texas**

Cindy Huynh  
Desserts Austin LLC  
10901 N. Lamar Blvd., Ste. A120  
Austin, TX 78753  
512-832-8886

Sydney Nguyen  
Vietnamese Pho Bo and Seafood 2, LLC  
12312 Barker Cypress Rd.  
Cypress, TX 77429  
832-705-5878

Scott Bachman  
Chelatte Dallas LLC  
2625 W Pioneer Pkwy, Ste 207  
Grand Prairie, TX 75051  
214-677-1470

Holly Hoa  
Le Inc.  
10613 Bellaire Blvd., Unit 168  
Houston, TX 77072  
832-328-3900

Danny Kem  
D&R Refreshments LLC  
3010 Gears Road  
Houston, TX 77067  
281-537-7107

**Utah**

Kami Chiem  
MTK LLC  
5516 W. 13400 S.  
Herriman, UT 84096  
801-368-0109

**Virginia**

Thaony Nguyen  
Tn & TL Annandale LLC  
ADDRESS  
4220-B Annandale Rd.  
Annandale, VA 22003  
703-338-5065

Nghi Nguyen  
Tien Ho LLC  
245 Bergess Rd.  
Harrisonburg, VA 22801  
301-502-7977

Tony Nguyen  
Win Win LLC  
4040 Cox Rd, Unit F  
Glen Allen, VA 23060  
757-777-7837

**Washington**

Huy Vu  
Che Empire Inc.  
22511 Highway 99  
Edmonds, WA 98026  
360-556-8372

Dyane Ng  
D& M Desserts LLC  
18230 E. Valley Hwy, #172  
Kent, WA 98032  
253-236-8906

Josh and Ciela Mirand  
ECPNW Inc.  
11012 Canyon Road East  
Puyallup, WA 98373  
760-638-6420

Michael Huynh  
MCNH Investments LLC  
773 S. 38<sup>th</sup> Street  
Tacoma, WA 98418  
206-850-6580

**Wisconsin**

Arom Wichitchu  
Waaree LLC  
Hilldale Shopping Center, Unit A4  
550 N. Midvale Blvd.  
Madison, WI 53705  
808-467-6626

Nadine Lee  
Cali Dreamin LLC  
424 Military Ave.  
Geen Bay, WI 54303  
920-360-9995

Arom Wichitchu  
Waaree LLC  
120 N. Grand Ave.  
Sun Prairie, WI 53590  
808-467-6626

Que Nguyen  
Doc's Che LLC  
10708 W. Oklahoma Ave.  
West Allis, WI 53227  
414-216-8030

**Canada**

**British Columbia**

Julie Lieu  
Seavan Desserts Corp  
1090 Kingsway  
Vancouver, BC V5V 1N9, Canada  
205-779-8766

**Ontario**

Kathy Tu  
LLK Desserts Inc.  
3175 Rutherford Road, Unit 70  
Vaughn, ON L4K 5Y6, Canada  
416-459-6992

**The Philippines**

Oliver Co  
Global Food Hub, Inc.  
SM Mall of Asia  
1300 Metro  
Manila, Philippines  
63-917-816-1007

Oliver Co  
Global Food Hub, Inc.  
SM Mall of Asia  
1300 Metro  
Manila, Philippines  
63-917-816-1007  
(2<sup>nd</sup> Outlet in same mall)

\*Franchisee also signed Multi-Unit Development Agreement

**LIST OF FRANCHISEES WHO HAVE SIGNED A FRANCHISE AGREEMENT  
FOR OUTLETS NOT YET OPEN**

**As of December 31, 2023**

**California**

Bahaghari LLC  
1812 Baldina Ct.  
Brentwood, CA 94513  
650-580-2799

**Florida**

Linda Nguyen  
Yen Ventures LLC  
Micromar Outlets  
10801 Corkscrew Rd.  
Estero, FL 33928  
216-832-4298

**Kentucky**

Tiffany Phan  
Ginji Bistro LLC  
9158 Taylorsville Rd  
Louisville, KY 40299  
502-554-8481

**Massachusetts**

Dang Pham\*  
Slicecorp. Inc.  
Boston, MA  
505-808-4895

**North Carolina**

Lan Chi Trinh  
Prior E Tea LLC  
1941 Hoffman Rd.  
Gastonia, NC 28054  
717-343-9172

**Texas**

Trinh Luu  
DNAC LLC  
Carrollton, TX  
409-968-4800

Hieu Phan  
Phan Pham Investment Group  
18346 Kearney Terrace Ln.  
Richmond, TX 77407  
713-367-3974

**Washington**

Julie Lieu  
Seavan Desserts Corp  
Seattle, WA  
205-779-8766

**Canada**

**British Columbia**

Julie Lieu  
Seavan Desserts Corp  
Vancouver, BC V5V 1N9, Canada  
205-779-8766

**Ontario**

Dai Bui  
DKRW  
Oakville, ON L6H 3T3, Canada  
647-787-5530

Vy Nguyen  
Ontario Inc.  
Toronto, ON M9N 3Z6, Canada  
416-999-2231

**EXHIBIT I  
(TO DISCLOSURE DOCUMENT)**

**LIST OF FRANCHISEES THAT HAVE LEFT THE SYSTEM**

Listed below are the names, city, state and telephone numbers of every Franchisee who has had a franchise terminated, cancelled, or not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement within the most recently completed fiscal year; or who has not communicated with Bambu within 10 weeks of the issuance date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed in the future to other buyers when you leave the franchise system.

**California**

Deanna Quilalang  
Dash & Bean Snaqs LLC  
Pleasanton, CA 94588  
925-725-5277

Cathy Mathouchan  
Boba Boss LLC  
Holland, MI 49423  
510-829-5155  
(Transfer)

**Indiana**

Son Ngo  
R&R Desserts LLC  
Ft. Wayne, IN 46825  
260-755-1150

**Virginia**

Maribel Arandela  
Sweet Art LLC  
Virginia Beach, VA 23462  
757-447-1641

**Kansas**

Giang Nguyen\*  
KC Café LLC  
Kansas City, KS 55103  
816-878-7588  
(Transfer)

**Washington**

Trang Nguyen  
Kim Tam Group LLC  
Seattle, WA 98104  
206-565-6853

**Michigan**

Mac Bejeijeh  
Bejeijeh Franchises LLC  
Dearborn Heights, MI 48127  
313-588-8729  
(Transfer)

**Canada**

**Alberta**

Chau Tran  
TC Sandwiches Ltd.  
West Edmonton Mall  
Edmonton, AB T5T 4M2, Canada  
780-483-4661

One franchisee who owned multiple Bambū shoppes closed one Bambū shoppe but still operates others. Therefore that franchisee has not left the system and is not disclosed in this table.

**EXHIBIT J  
(TO DISCLOSURE DOCUMENT)**

**FINANCIAL STATEMENTS**

**FINANCIAL STATEMENTS OF  
BAMBU FRANCHISING LLC**

# **BAMBU FRANCHISING, LLC**

FINANCIAL REPORT  
AS OF DECEMBER 31, 2023 AND 2022



# BAMBU FRANCHISING, LLC

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## **Independent Auditor's Report**

To the Members  
Bambu Franchising, LLC  
Denver, Colorado

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Bambu Franchising, LLC which comprise the balance sheet as of December 31, 2023, and 2022, and the related statements of operations, changes in members' (deficit) and cash flows for the years ended December 31, 2023, and 2022, and the related notes to the financial statements.

In our opinion, the financial statements referred to in the first paragraph above present fairly, in all material respects, the financial position of Bambu Franchising, LLC as of December 31, 2023, and 2022 and the results of its operations and its cash flows for the years ended December 31, 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 Bambu Franchising, LLC 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 Bambu Franchising, LLC's ability to continue as a going concern for one year after the date that 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 there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Bambu Franchising, LLC'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 Bambu Franchising, LLC'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 handwritten signature in blue ink that reads "REESE CPA LLC". The signature is written in a cursive, stylized font.

Ft. Collins, Colorado  
March 15, 2024

**BAMBU FRANCHISING, LLC**  
**BALANCE SHEETS**  
**AS OF DECEMBER 31, 2023 AND 2022**

	2023	2022
<b>ASSETS:</b>		
<b>CURRENT ASSETS</b>		
Cash and equivalents	\$ 32,315	\$ 22,983
Accounts receivable	352,113	473,654
Inventory	41,022	29,881
Prepaid expense and other assets	19,064	14,963
<b>TOTAL CURRENT ASSETS</b>	444,514	541,481
<b>NON-CURRENT ASSETS</b>		
Intangible assets	113,356	176,321
Right to use asset	37,339	-
Other assets	4,545	-
<b>TOTAL ASSETS</b>	\$ 599,754	\$ 717,802
<b>LIABILITIES AND MEMBERS' (DEFICIT):</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 480,167	\$ 391,080
Current portion of non-refundable deferred franchise fees	265,062	279,162
Current portion of notes payable	43,293	-
Current portion of lease liability	22,698	-
Line of credit	-	47,500
<b>TOTAL CURRENT LIABILITIES</b>	811,220	717,742
<b>LONG-TERM LIABILITIES</b>		
Non-refundable deferred franchise fees	1,171,105	1,379,613
Lease payable	14,641	-
Notes payable	211,677	-
Revolving line of credit	-	100,000
<b>TOTAL LIABILITIES</b>	2,208,643	2,197,355
<b>MEMBERS' (DEFICIT)</b>	(1,608,889)	(1,479,553)
<b>TOTAL LIABILITIES AND MEMBERS' (DEFICIT)</b>	\$ 599,754	\$ 717,802

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

**BAMBU FRANCHISING, LLC**  
**STATEMENTS OF OPERATIONS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<b>2023</b>	<b>2022</b>
<b>REVENUES</b>		
Franchise fees	\$ 561,608	\$ 987,096
Royalty fees	333,768	246,675
Advertising and technology fees	388,159	354,077
Product sales	1,365,849	1,171,642
Other revenue	214,171	206,720
<b>TOTAL REVENUES</b>	<b>2,863,555</b>	<b>2,966,210</b>
 <b>COST OF GOODS AND SERVICES SOLD</b>	 1,321,204	 1,340,746
 <b>GROSS PROFIT</b>	 1,542,351	 1,625,464
 <b>OPERATING EXPENSES</b>		
Payroll and related costs	712,018	696,030
General and administrative	663,327	756,947
Professional fees	212,675	430,369
Depreciation and amortization	66,672	66,834
<b>TOTAL OPERATING EXPENSES</b>	<b>1,654,692</b>	<b>1,950,180</b>
 <b>OPERATING INCOME</b>	 (112,341)	 (324,716)
 <b>OTHER INCOME (EXPENSE)</b>		
Other (expense)	(4,645)	(3,270)
Interest expense	(12,350)	(3,273)
<b>TOTAL OTHER INCOME (EXPENSE)</b>	<b>(16,995)</b>	<b>(6,543)</b>
 <b>NET INCOME</b>	 <b>\$ (129,336)</b>	 <b>\$ (331,259)</b>

The accompanying notes are an integral part of these financial statements

**BAMBU FRANCHISING, LLC**  
**STATEMENTS OF CHANGES IN MEMBERS' (DEFICIT)**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>Total Members' (Deficit)</u>
<b>BALANCE, DECEMBER 31, 2021</b>	<b>\$ (1,148,294)</b>
Net (loss)	<u>(331,259)</u>
<b>BALANCE, DECEMBER 31, 2022</b>	<b><u>\$ (1,479,553)</u></b>
Net (loss)	<u>(129,336)</u>
<b>BALANCE, DECEMBER 31, 2022</b>	<b><u>\$ (1,608,889)</u></b>

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

**BAMBU FRANCHISING, LLC**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income (loss)	\$ (129,336)	\$ (331,259)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	66,672	66,834
Recognition of non-refundable deferred franchise fees	(585,108)	(987,096)
Expenses paid by related party	-	581,597
Change in assets and liabilities:		
Accounts receivable	121,541	(412,935)
Inventory	(11,141)	(23,389)
Prepaid expenses and other assets	(8,646)	(11,365)
Accounts payable and accrued expenses	89,087	183,020
Non-refundable deferred franchise fees	362,500	898,017
Net cash (used) by operating activities	(94,431)	(36,576)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of intangible assets	(3,707)	(5,375)
Net cash (used) in investing activities	(3,707)	(5,375)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from notes payable	208,245	100,000
Repayments of long-term debt	(100,775)	(8,254)
Advances to related parties	-	(43,784)
Net cash (used) in financing activities	107,470	47,962
<b>NET INCREASE (DECREASE) IN CASH</b>	9,332	6,011
<b>CASH, beginning of year</b>	22,983	16,972
<b>CASH, end of year</b>	\$ 32,315	\$ 22,983
 <b>SCHEDULE OF NON-CASH ACTIVITIES</b>		
<b>INVESTING ACTIVITIES</b>		
Right to use asset	\$ (37,339)	\$ -
 <b>INVESTING ACTIVITIES</b>		
Lease liability	\$ 37,339	\$ -

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

**BAMBU FRANCHISING, LLC**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Bambu Franchising LLC ("our," "we," "us," the "LLC" and the "Company") was organized in the State of Colorado on December 29, 2014, as a limited liability company. The Company offers to qualified persons a franchise for the operation of BAMBŪ shoppes featuring freshly made Vietnamese dessert drinks (Chè), Vietnamese style coffee drinks (Cà Phê), Vietnamese styled blended yogurts (Yonami), Asian-inspired teas (including Taiwanese bubble tea), and real fruit smoothies (Sinh Tố), with freshly made tapioca boba, house-prepared proprietary ingredients, and a wide-variety of drink toppings, along with complementary snack, food, and dessert items.

*Predecessor and Affiliate*

On May 1, 2015, the Company acquired the assets of our predecessor companies, Bambu Desserts & Drinks, Inc. a California corporation, that operated a predecessor version of a BAMBŪ shoppes being offered by the Company. Bambu IP, LLC a California limited liability held the intellectual property, until the Company acquired the BAMBŪ system. Bambu Desserts & Drinks Franchise, Inc., a California corporation that offered franchises of their business concept from June 2014 until the date we acquired the system.

The Company's affiliate, Drinks of Denver LLC ("**Drinks of Denver**"), a Colorado limited liability company formed on January 13, 2017. Drinks of Denver operated a BAMBŪ shoppe in Denver, Colorado, and was used to test new products, programs, and business models for the BAMBŪ system and serve as a training shoppe for operational personnel. Drinks of Denver was testing and operating a BAMBŪ shoppe drive thru model. Drinks of Denver ceased operations during 2023.

*Outlets in Operation*

Changes in the number of operating outlets for the years ended December 31, 2023, and 2022, consist of the following:

	2023	2022
Outlets in operation, beginning	62	60
Outlets opened	14	10
Outlets terminated or closed	(7)	(8)
Outlets in operation, ending	69	62
Franchised Outlets	69	61
Affiliate owned Outlets	-	1

A summary of significant accounting policies follows:

*Basis of Presentation*

The accompanying financial statements have been prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America ("GAAP").

**BAMBU FRANCHISING, LLC**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Use of Estimates

Preparation of the Company's financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of any contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with original maturities of three months or less at the date of purchase to be cash equivalents. The Company did not have any cash equivalents as of December 31, 2023, and 2022.

Franchisee Receivables

The Company's franchisee receivables primarily result from initial franchise fees, royalty fees, brand development contributions, product sales and other related fees charged to franchisees. Timing of revenue recognition may be different from the timing of invoicing to customers. The Company records an accounts receivable when revenue is recognized prior to invoicing, or unearned revenue when revenue is recognized after invoicing. The Company reports these receivables at net realizable value.

Management determines the allowance for doubtful accounts based on historical losses, current expectations, and economic conditions. On a continuing basis, management analyzes delinquent accounts receivable and, once these accounts receivable are determined to be uncollectible, they are written off through a charge against an existing allowance account. The allowance account is reviewed regularly and adjusted against earnings as appropriate. The Company determined that an allowance on outstanding franchisee receivables of \$0 and \$0 was necessary as of December 31, 2023, and 2022. Franchisee bad debt expense was \$12,000 and \$0, for the years ended December 31, 2023, and 2022. Franchisee amounts written off were \$12,000 and \$0 years ended December 31, 2023, and 2022.

Inventory

Inventories are stated at lower of cost or net realizable value. Cost is determined on a first-in, first out basis.

Property, Plant & Equipment

The Company has adopted ASC 360 – Property, Plant and Equipment. Property and equipment consist of computer equipment stated at historical cost, less accumulated depreciation. Depreciation is provided using straight-line method based on the estimated useful lives of the related assets (three years). As of December 31, 2022, the computer equipment has been fully depreciated. Depreciation expense was \$162 for the year ended December 31, 2022. Routine expenditures for repairs and maintenance are expensed as incurred and are charged to operations and major improvements are capitalized. Upon retirement, sale, or other disposition of property and equipment, the cost and accumulated depreciation are eliminated from the accounts and a gain or loss is included in operating expenses.



**BAMBU FRANCHISING, LLC**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Intangible Assets*

The Company has adopted ASC 360, Intangibles – Goodwill and Other that require that goodwill and intangible assets with indefinite lives (such as intellectual property) no longer be amortized to earnings but be tested for impairment at least annually. Intangible assets with finite lives are amortized over their estimated useful lives. The Company's intangible assets consist of acquired intellectual property, license and franchise agreements, and trademarks. The intellectual property is being amortized over a ten year period that began with the acquisition of the assets in 2015.

Intangible assets consist of the following at December 31:

	<b>2023</b>	<b>2022</b>
Intellectual Property	\$ 666,667	\$ 666,667
Less amortization	(577,824)	(511,152)
	88,843	155,515
Trademarks	24,513	20,806
	\$ 113,356	\$ 176,321

Amortization expense for the years ended December 31, 2023, and 2022, was \$66,672, and \$66,672. Estimated future amortization is expected to be \$66,672 for the year ended December 31, 2024, and \$22,171 for the year ended December 31, 2025

*Investments in Affiliated Entities*

The equity method of accounting is used when the Company has a 20% to 50% interest in other entities. Under the equity method, original investments are recorded at cost and adjusted for the Company's share of undistributed earnings or losses of these entities.

*Revenue Recognition, Non-refundable Deferred Franchise Fees*

The Company recognizes revenues under the guidance of ASC 606, "Contracts with Customers". The Company's revenue is principally generated through franchise agreements executed with the Company's franchisees.

Each franchise agreement is comprised of several performance obligations. The Company identifies those performance obligations, determines the contract price for each obligation, allocates the transaction price to each performance obligation and recognizes revenue when the Company has satisfied the performance obligation by transferring control of the good or service to the franchisee.

When a qualified party purchases a Bambu franchise, the Company grants the franchisee the right to operate the franchised business in a designated territory and to use the proprietary methods, techniques, trade dress, trademarks, and logos ("symbolic intellectual property" or "IP"). Revenues related to the designated territory and IP are continuing monthly royalty fees are defined in the franchise agreement and are fixed amount per month. Revenue from continuing monthly royalty fees is billed monthly and is recognized as revenue when earned as a point in time revenue. These revenues will be used to continue the development of the Company's brand, the franchise system and provide on-going support for the Company's franchisees.

**BAMBU FRANCHISING, LLC**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Revenue Recognition, Non-refundable Deferred Franchise Fees (continued)*

Revenue from initial franchise fees is allocated to the performance obligations in the franchise agreement that are distinct from the territory rights and symbolic intellectual property and include but not limited to lease acquisition and training. Revenue from initial fees is recognized when the performance obligation is satisfied and control of the good or service has been transferred to the franchisee. Initial fee amounts not specifically allocated are recognized into revenue over the term of the franchise agreement which is currently 10 years. Unearned initial fee revenues will be recorded as non-refundable deferred revenue.

*Product Sale Revenue*

The company sells various food stuffs and food service items to the Company's franchisees. These are recognized as revenue at the exchange price, at the point that the franchisee has taken actual or constructive receipt of the goods sold and payment for the products sold is received or reasonably assured.

*Marketing and Technology Fee*

The Company charges a marketing and technology fee to purchase advertising for the benefit of franchisees of the Company and provide certain technological services to franchisees. These fees are a fixed amount, as defined in the franchise agreement. The fees are billed monthly and recognized as revenue when billed and collection of the fee is reasonably assured.

*Rebates*

The Company receives rebates from certain distributors who sell products to the Company's franchisees. The Company earns rebates which are recorded at a point in time in the period that the sales by distributors occurred, and collection is reasonably assured.

*Income Taxes*

The Company has elected to be treated as Partnership for income tax purposes. Accordingly, taxable income and losses of the Company are reported on the income tax returns of its members and no provision for federal or state income taxes has been recorded in the accompanying balance sheet.

The Company adopted ASC 740-10-25-6 "Accounting for Uncertainty in Income Taxes", that requires the Company to disclose uncertain tax positions. Under the standard an entity may only recognize or continue to recognize tax positions that meet a "more likely than not" threshold upon examination by taxing authorities. Based on its evaluation, the Company has concluded that there are no significant uncertain tax positions requiring recognition in its financial statements.

*Advertising*

The Company expenses advertising costs as incurred. Advertising costs expensed were \$0 and \$0 for the years ended December 31, 2023, and 2022.

**BAMBU FRANCHISING, LLC**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Concentrations of Credit Risk*

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash, and franchise receivables. The Company places its temporary cash investments with financial institutions. At times throughout the year the Company may, in the ordinary course of business, maintain cash balances in excess of federally insured limits. Management does not believe the Company is exposed to any unusual risks on such deposits. The Company grants credit to franchisees. The Company's ability to collect the amounts due from franchisees is affected by fluctuations in the economy and the operations of the franchisees.

*Fair Value of Financial Instruments*

For certain of the Company's financial instruments, including cash and cash equivalents, accounts receivable, accounts payable and accrued expenses, the carrying amounts approximate fair value due to their short maturities. The amounts shown for notes payable also approximate fair value because current interest rates and terms offered to the Company for similar debt are substantially the same.

*Variable Interest Entities*

The Company has evaluated its business relationships with Related Parties for which it has an equity interest and provides advances to or receives advances from (see Note 3) to identify potential variable interest entities and has concluded that consolidation is not required for the period presented.

*Recently Adopted Accounting Guidance*

The Company has adopted all recently issued Accounting Standards Updates ("ASU"). Management has not yet determined the effect the adoption of the other recently issued ASUs, including those not yet effective, could have on the financial position or results of operations of the Company.

**BAMBU FRANCHISING, LLC**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 – CONTRACTS WITH CUSTOMERS**

The Company has recorded a liability for unearned revenue associated with franchisee acquisition and acceptance performance obligation of the Company’s franchise agreements. The related account balances and activity are as follows:

	December 31,	
	2023	2022
<b>Franchisee Receivables:</b>		
Balance beginning of year	\$ 473,654	\$ 60,719
Franchisee billing	2,664,447	2,199,306
Balances written off or credited	(12,000)	(3,799)
Collections in cash	(2,773,988)	(1,782,572)
Balance at end of year	\$ 352,113	\$ 473,654
 <b>Deferred Non-refundable Franchise Fees:</b>		
Balance Beginning of year	\$ 1,658,775	\$ 1,747,853
Deferral of non-refundable franchise fees	362,500	898,018
Recognition of non-refundable franchise fees	(584,458)	(987,096)
Balance at End of Year	\$ 1,436,817	\$ 1,658,775

Estimated Recognition of Non-refundable Deferred Franchise Fees and Franchise Acquisition Costs

Estimated revenues to be recognized in future periods related to non-refundable deferred franchise fees as reported at December 31, 2023, is as follows:

	Non-refundable Franchise Fees
Year ending December 31:	
2024	\$ 265,062
2025	233,440
2026	200,777
2027	172,977
2028	145,302
Thereafter	419,259
	\$ 1,436,817

Disaggregation of Revenues

Disaggregated revenues based on the satisfaction of performance obligations in the Company’s contracts with franchisees for the years ended December 31, 2023, and 2022, is as follows:

	2023	2022
Performance obligations satisfied at a point in time	\$ 2,436,849	\$ 2,132,115
Performance obligations satisfied through the passage of time	426,706	834,096
Total revenues	\$ 2,863,555	\$ 2,966,211

**BAMBU FRANCHISING, LLC**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 3 – AFFILIATE INTEREST AND TRANSACTIONS**

In 2017 the Company acquired a 25% equity interest in Drinks of Denver in exchange for a franchise agreement. The equity interest was reduced to 24% in 2020 as the Company declined to participate in a capital call. The Company accounts for the investment using the equity method as the Company is not the controlling entity or primary beneficiary of Drinks of Denver. The Company's share of the equity in Drinks of Denver is a cumulative loss greater than the Company's investment and no loss has been recognized in the financial statements of the Company for the years ended December 31, 2023, and 2022.

During the year ended December 31, 2023, and 2022, transactions with Drinks of Denver included product sales and service fees totaling \$18,310, and \$34,483, training, and other costs of \$135,300 and \$60,000 and advances of \$0 and, \$31,810. Amounts due from Drinks of Denver as of December 31, 2023, and 2022, were \$0 and \$0.

Unaudited summary financial information on the equity method investment in Drinks of Denver as of and for the years ended December 31, 2023, and 2022, is a follow:

	2023	2022
<b>Balance Sheet</b>		
Assets:		
Current assets	\$ 11,255	\$ 15,112
Property and equipment	270,814	273,064
Total assets	\$ 282,069	\$ 288,176
Liabilities and Members' Deficit		
Current liabilities	\$ 439,299	\$ 423,925
Non-current liabilities	-	-
Members' (deficit)	157,230)	135,749)
Total liabilities and deficit	\$ 282,069	\$ 288,176
 <b>Statement of Operations</b>		
Total revenue	\$ 68,650	\$ 121,683
Total expenses	94,967	298,742
Other income	-	-
Net loss	\$ (26,317)	\$ (177,059)

**NOTE 4 – LINES OF CREDIT**

The Company had a line of credit with a bank. The face amount of the line of credit was \$47,500. Interest is payable monthly at the Wall Street Journal Prime index rate which was 7.5% as of December 31, 2022. The principal plus unpaid interest is due in October 2023. The loan is collateralized by the assets of the Company and is guaranteed by the majority member of the Company. The balance outstanding at December 31, 2023, and 2022, was \$0 and \$47,500.

The Company had a revolving line of credit with a bank. The face amount of the line of credit was \$100,000, interest is payable monthly at the Wall Street Journal Prime index rate plus .75% which was 8.25% as of December 31, 2022. The principal plus unpaid interest is due in November 2024. The loan is collateralized by the assets of the Company and is guaranteed by the majority member of the Company. The balance outstanding at December 31, 2023, and 2022, was \$0 and \$100,000.

**BAMBU FRANCHISING, LLC**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 – LINES OF CREDIT (CONTINUED)**

Interest expense on the lines of credit was \$12,350, and \$3,273 for the years ended December 31, 2023, and 2022.

**NOTE 5 – RIGHT TO USE ASSET AND LEASE LIABILITY**

On July 31, 2023, under the guidance of ASC 842 "Leases", the Company recorded a right to use asset and lease liability for the lease of office space. As of July 31, 2023, the remaining initial lease term was 24 months, through July 31, 2025. Lease payments over the term are between \$2,031 and \$2,147. The right to use asset and lease were recorded as an operating lease. The right to use asset and lease liability were valued at \$46,022 using the monthly lease payments over the initial term of the lease using an 8.25% discount rate based on the lessors borrowing rate at the inception of the lease. Total lease expense recorded for the year ended December 31, 2023, was \$10,156.

Future minimum payments of the lease, including the interest component is as follows:

Year ending December 31:		
2024	\$	24,953
2025		15,028
Total	\$	<u>37,339</u>

**NOTE 6 – NOTES PAYABLE**

Notes payable consist of the following at December 31,

	<u>2023</u>	<u>2022</u>
Note payable with a bank, Face Amount \$179,970, interest at 8.25% per year, payment in 84 installments of \$2,838. Collateralized by assets of the Company and the personal guaranty of the managing member of the Company.	\$ 179,970	\$ -
Note payable, Gap Fund Program Face amount of \$75,000, interest at 5.75% per year, payment in 36 installments of \$2,273. Collateralized by assets of the Company and personal guaranty of the managing member of the Company.	75,000	-
	<u>254,970</u>	<u>-</u>
Less current maturities	(43,293)	-
	<u>\$ 211,677</u>	<u>\$ -</u>

**BAMBU FRANCHISING, LLC**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 – NOTES PAYABLE (CONTINUED)**

The maturities of the long-term debt are as follows:

Year ending December 31:	
2024	\$ 43,293
2025	46,443
2026	49,784
2027	25,365
2028	27,549
Thereafter	62,536
	<u>\$ 254,970</u>

**NOTE 7 - COMMITMENTS AND CONTINGENCIES**

Operating Lease

The Company has a month-to-month lease for office space, the monthly rental is \$1,178. The Company had a lease for office space which expired on July 31, 2023. Rent expense recorded by the Company were \$39,594 and \$19,877 for the years ended December 31, 2023, and 2022 including the rent expense described in Note 5 above.

Litigation:

The Company may be party to various claims, legal actions and complaints arising in the ordinary course of business. In the opinion of management, all matters are of such kind, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

**NOTE 8 - SUBSEQUENT EVENTS**

Date of Management's Evaluation

Management has evaluated subsequent events through March 15, 2024, the date on which the financial statements were available to be issued.



Financial Statements  
December 31, 2021 and 2020  
**Bambu Franchising, LLC**



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## Independent Auditor's Report

To the Members  
Bambu Franchising, LLC  
Denver, Colorado

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of Bambu Franchising, LLC, which comprise the balance sheets as of December 31, 2021 and 2020, and the related statements of operations, members' equity (deficit), and cash flows for the years ended December 31, 2021, 2020 and 2019, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Bambu Franchising, LLC as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years ended December 31, 2021, 2020 and 2019 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 Bambu Franchising, LLC 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 these 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 Bambu Franchising, LLC's ability to continue as a going concern for one year after the date that the financial statements are available to be 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 there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Bambu Franchising, LLC'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 Bambu Franchising, LLC'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.

*Eide Bailly LLP*

Denver, Colorado  
April 12, 2022

**Bambu Franchising, LLC**  
**Balance Sheets**  
**December 31, 2021 and 2020**

Assets	2021	2020
<b>Current assets:</b>		
Cash	\$ 16,972	\$ 8,580
Accounts receivable	60,719	17,577
Advance to member	48,026	-
Inventory	6,492	-
Prepaid expenses and other assets	3,598	4,063
<b>Total Current assets</b>	<b>135,807</b>	<b>30,220</b>
Fixed assets, net of depreciation	162	555
Intangible assets, net of amortization	237,618	304,290
Advances due from related parties	489,787	516,928
<b>Total assets</b>	<b>\$ 863,374</b>	<b>\$ 851,993</b>
 <b>Liabilities and members' (deficit)</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 173,557	\$ 141,870
Accrued liabilities	33,978	97,758
Deferred franchise revenue - short term	193,978	206,593
Notes payable short term	8,254	222,500
<b>Total current liabilities</b>	<b>457,267</b>	<b>668,721</b>
Deferred franchise revenue - long term	1,553,876	1,717,637
Notes payable	47,500	-
Deferred rent	525	306
<b>Total liabilities</b>	<b>2,011,668</b>	<b>2,386,664</b>
 <b>Commitments and contingencies</b>		
 Members' (deficit)	 (1,148,294)	 (1,534,671)
 <b>Total liabilities and members' equity</b>	 <b>\$ 863,374</b>	 <b>\$ 851,993</b>

See Accompanying Notes to Financial Statements

**Bambu Franchising, LLC**  
**Statement of Operations**  
**For the Years Ended December 31, 2021, 2020 and 2019**

	2021	2020	2019
<b>Revenue:</b>			
Franchise fees	\$ 581,440	\$ 465,053	\$ 626,729
Royalties	137,550	86,900	31,483
Product sales	776,182	420,994	20,988
Marketing and Technical Fund Receipts	307,268	283,117	222,650
Rebates earned	125,344	130,776	287,685
<b>Total revenue</b>	<b>1,927,784</b>	<b>1,386,840</b>	<b>1,189,535</b>
Total cost of products sold	573,004	311,336	16,835
<b>Franchise and general:</b>			
General and administrative	1,580,829	1,083,641	1,147,848
Depreciation	392	1,131	1,114
Amortization	66,672	66,672	66,672
<b>Total franchise and general</b>	<b>1,647,893</b>	<b>1,151,444</b>	<b>1,215,634</b>
<b>(loss) from operations</b>	<b>(293,113)</b>	<b>(75,940)</b>	<b>(42,934)</b>
<b>Other (Income) expense</b>			
Interest expense	8,991	10,075	9,847
Exchange loss	619	-	-
Other income-settlement	(635,000)	-	-
Debt forgiveness	(54,100)	(6,600)	-
<b>Total other (income) expense</b>	<b>(679,490)</b>	<b>3,475</b>	<b>9,847</b>
<b>Net income (loss)</b>	<b>\$ 386,377</b>	<b>\$ (79,415)</b>	<b>\$ (52,781)</b>

See Accompanying Notes to Financial Statements

**Bambu Franchising, LLC**  
**Statement of Members Equity (Deficit)**  
**For the Period of January 1, 2019 to December 31, 2021**

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Balance, January 1, 2019	\$	302,038
Equity adjustment related to change in accounting		(1,704,513)
(Loss) for the year ended December 31, 2019		<u>(52,781)</u>
Balance, December 31, 2019		(1,455,256)
(Loss) for the year ended December 31, 2020		<u>(79,415)</u>
Balance, December 31, 2020		(1,534,671)
Income for the year ended December 31, 2021		<u>386,377</u>
Balance, December 31, 2021	\$	<u><u>(1,148,294)</u></u>

Bambu Franchising, LLC

Statement of Cash Flows

For the Years Ended December 31, 2021, 2020 and 2019

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Cash flow from operating activities:			
Net (loss) income for the period	\$ 386,377	\$ (79,415)	\$ (52,781)
Adjustments to reconcile net (loss) income to net cash from (used in) operating activities:			
Non-cash debt forgiveness	(54,100)	(6,600)	-
Depreciation	392	1,131	1,114
Amortization	66,672	66,672	66,672
Changes in assets and liabilities			
Accounts receivable	(43,142)	55,316	(53,489)
Inventory	(6,492)	-	-
Prepaid expenses	465	2,332	(1,022)
Deferred franchise costs	-	-	36,000
Advances due from related party	27,141	13,426	-
Accounts payable	31,687	61,163	(23,883)
Accrued expenses	(63,780)	(36,241)	31,153
Deferred rent expense	220	306	-
Deferred franchise fees	(176,376)	(116,554)	(38,729)
Net cash from (used in) operations	<u>169,064</u>	<u>(38,464)</u>	<u>(34,965)</u>
Cash flow (used in) investing activities:			
Acquisition of fixed assets	-	-	(1,176)
Acquisition of intangible assets	-	(325)	(914)
Advances due from affiliated entity	-	-	(135,951)
Net cash used in investing activities	<u>-</u>	<u>(325)</u>	<u>(138,041)</u>
Cash flow (used in) provided by financing activities:			
Issuance of debt	54,100	6,600	222,500
Repayment of debt	(166,746)	-	-
Members repayment (advance)	(48,026)	-	(27,500)
Net cash (used in) from financing activity	<u>(160,672)</u>	<u>(6,600)</u>	<u>195,000</u>
Net decrease in cash	8,392	(32,189)	21,994
Cash at beginning of period	8,580	40,769	18,775
Cash at end of period	<u>\$ 16,972</u>	<u>\$ 8,580</u>	<u>\$ 40,769</u>

See Accompanying Notes to Financial Statements

**Note 1 Nature of Business.**

Bambu Franchising LLC (“our,” “we,” “us,” the “LLC” and the “Company”) was organized in the State of Colorado on December 29, 2014 as a limited liability company. We began exploring opportunities in the franchising industry in February 2015. We entered into an agreement to purchase certain assets from the owners of a food service concept called Bambu Desserts and Drinks. The concept consists of Bambu Shoppes that serve milk teas, hot and cold drinks, blended drinks, smoothies, and desserts, among other things, in a retail environment.

As of December 31, 2021, there are 60 Bambu Shoppes located in 22 states and 2 provinces in Canada. We have signed agreements with an additional 14 Bambu Shoppes which are under construction and not included in the above counts.

The following information pertains to franchise outlets for the years ended December 31, 2021, 2020, and 2019:

Year ended December 31,	Franchises sold during year	Franchises purchased	Franchised outlets in operation at year end	Franchisor owned outlets in operation
2019	18	-	63	*
2020	6	-	60	*
2021	6	-	60	*

\*The Company has a 24% interest in one location in Denver, Colorado

**Note 2 Summary of Significant Accounting Policies**

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”).

*Use of Estimates*

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

*Accounts receivable*

Accounts receivable consists of amounts billed to franchisees for products sold to them. We make our best estimate of the amounts of probable credit losses in our existing accounts receivable and provides for such loss as an allowance for doubtful accounts. At December 31, 2021 and 2020, we estimated that no allowance for doubtful accounts was necessary. In 2021, 2020, and 2019, we had bad debt expense of \$800, \$1,148, and \$0, respectively. We do not have any off-balance-sheet credit exposure related to our customers.



*Inventory*

Inventories are stated at the lower of cost or net realizable value. Cost is determined on a first-in, first-out basis.

*Fixed assets*

Fixed assets consist of computer equipment and is being amortized over an estimated useful life of 3 years. Depreciation expense charged to operations for the years ended December 31, 2021, 2020, and 2019, were \$392, \$1,131, and \$1,114, respectively.

*Intangible assets*

Intangible assets arise from the purchase of certain assets from a previously unrelated business. The assets consist of previously entered into license and franchise agreements, as well as trademarks, recipes, and trade secrets for preparation of drinks served in Bambu Shoppes.

At December 31, 2021 and 2020 consisted of the following:

	2021	2020
Intellectual property	\$ 666,667	\$ 666,667
Less amortization	(444,480)	(377,808)
	222,187	288,859
Trademarks	15,431	15,431
	\$ 237,618	\$ 304,290

We estimate the life of these assets to be 10 years and are amortizing all intangible assets, except for trademarks, which have an indefinite life, over that period. Amortization expense charged to operations for the years ended December 31, 2021, 2020 and 2019 was \$66,672, \$66,672, and \$66,672, respectively. Estimated future amortization expense related to these intangible assets is as follows:

Years Ending December 31:	Amount
2022	\$ 66,672
2023	66,672
2024	66,672
2025	22,171
	\$ 222,187

*Long-Lived Assets*

In accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 360, *Property, Plant and Equipment* ("ASC 360"), long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized as the amount by which the carrying amount of the asset exceeds the fair value of the asset. We determined that there was no impairment at December 31, 2021 or 2020.

*Investments in Affiliated Entities*

The equity method of accounting is used when the Company has a 20% to 50% interest in other entities. Under the equity method, original investments are recorded at cost and adjusted for the Company's share of undistributed earnings or losses of these entities.

*Revenue Recognition*

*Revenue from Contracts with Customers.* In May 2014, the FASB issued ASC Topic 606 *Revenue from contracts with Customers* ("ASC 606"). The Company adopted the guidance on January 1, 2019 utilizing the alternative retrospective transition method which recognizes the cumulative effect of initially applying ASC 606 as an adjustment to the opening balance of retained earnings in the year of initial application and as such, comparative years have not been restated. This adoption primarily affected the accounting for initial franchise fees. Specifically, under the new guidance, initial fees are recognized ratably over the life of the franchise agreement which is normally 10 years. Until such time as revenue is recognized we record the fees collected as deferred franchise revenue. Recognition begins once the franchisee's business commences operations.

*Royalty Payments* Certain franchise agreements provide for a continuing monthly royalty payment. The royalty amounts are stated in the franchise agreements and are not based on the franchisees' sales. In the future all new franchise agreements will provide for such royalties. Under legacy GAAP, these continuing fees were recognized on a monthly basis. The timing and amount of the royalty recognized was not impacted by ASC 606 and will be accounted as a performance obligation satisfied at a point in time

*Product Sales* Product sales are recognized at a point in time when a customer obtains ownership of promised goods. The amount of revenue recognized reflects the consideration to which the Company expects to be entitled to receive in exchange for these goods. Under legacy GAAP we recognized sales when there was persuasive evidence of an agreement, deliveries have occurred the sales price was determinable, and collection reasonably assured. The timing and amount of the product sales was not impacted by ASC 606.

*Marketing Fund Receipts* Franchisees contribute to a marketing fund. Under legacy GAAP franchisor marketing and advertising expenses and related fees collected from franchisees were netted. In accordance with ASC 606, we have determined that we act as a principal in transaction related to marketing and advertising. Accordingly, monthly revenue for marketing and advertising services are recognized at a point in time when billed and expenses are recognized when incurred.

**Rebates** We receive rebates from certain distributor who sell products to our franchisees. We earn rebates which are recorded at a point in time in the period that the sales by distributors occurred, and collection is reasonably assured.

**Disaggregation of Revenue.** ASC 606 requires the Company to identify performance obligations in its contracts with its franchisees. The Company has identified the following separate performance obligations:

- Real estate related activities such as location of premises, negotiation of a letter of intent and final lease approval. This obligation is satisfied at a point in time.
- Architectural services providing lay out for chosen location. This obligation is satisfied at a point in time.
- Training which includes, operation of a food establishment, equipment usage, health requirements and general business practices. This obligation is satisfied at a point in time.
- Use of Franchisor’s symbolic intellectual property over the term of the franchise agreement.

In the following table, all revenue is disaggregated by timing of satisfaction of performance obligations for the year ended December 31, 2021 and 2020:

	2021	2020
Performance obligations satisfied at a point in time	\$ 1,544,322	\$ 1,154,840
Performance obligations satisfied at over time	383,462	232,000
Total	\$ 1,927,784	\$ 1,386,840

**Contract Assets and Liabilities**

The Company’s contract assets consist of trade receivables. As of January 1, 2020, December 31, 2020 and December 31, 2021, the Company had \$72,893, \$17,577 and \$60,719, respectively, of accounts receivable.

The Company’s contract liabilities consist of deferred revenue from initial franchise fees. As of January 1, 2020, December 31, 2020 and December 31, 2021, the Company had \$2,040,784, \$1,924,230 and \$1,747,854, respectively of deferred revenue.

**Shipping and Handling Costs**

Shipping and handling costs charged to the customer are recorded in product revenue. Costs incurred related to the fulfillment of an order is included in cost of product sold.

**Research and Development Expenses**

Research and development costs are expensed when incurred. Research and development costs incurred in the years ended December 31, 2021, 2020 and 2019, which were primarily for new product development were \$20,000, \$20,000, and \$32,891, respectively. Research and development expenses are included in general and administrative expenses.

**Rent Expense**

We recognize rent expense on a straight-line basis over the reasonably assured lease term as defined in ASC Topic 840, *Leases* (“ASC 840”). Rent expense is charged to expense beginning with the occupancy date. Deferred rent was \$525, and \$306, at December 31, 2021 and 2020, respectively and will be charged to rent expense over the life of the lease. For the years ended December 31, 2021, 2020 and 2019, rent expense totaled \$19,832, \$13,875 and \$0, respectively.

*Advertising Costs*

Advertising costs are expensed as incurred. Such costs totaled \$22,524, \$19,893 and \$0, respectively, for the years ended December 31, 2021, 2020 and 2019.

*Income Taxes*

We are a limited liability company, accordingly no provision for income taxes has been made in the accompanying financial statements for the years presented, as taxable income or losses are reportable on the tax returns of the members of the Company.

For the years ended December 31, 2021, 2020 and 2019 we did not have any interest and penalties or any significant unrecognized uncertain tax positions.

*Recent Pronouncements*

The Company has reviewed all recently issued, but not yet effective, accounting pronouncements and does not believe the future adoptions of any such pronouncements may be expected to cause a material impact on our financial condition or the results of operations except as follows.

In February 2016, the FASB issued ASU No. 2016-02, "Leases", to improve financial reporting about leasing transactions. This ASU will require organizations that lease assets ("lessees") to recognize a lease liability and a right-of-use asset on its balance sheet for all leases with terms of more than twelve months. A lease liability is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis and a right-of-use asset represents the lessee's right to use, or control use of, a specified asset for the lease term. The amendments in this ASU leaves the accounting for the organization that own the assets leased to the lessee ("lessor") largely unchanged except for targeted improvements to align it with the lessee accounting model and Topic 606, "Revenue from Contracts with Customers". The effective date for implementation by non-public companies is for years beginning after December 15, 2021. The Company is still assessing the impact of adopting the pronouncement.

**Note 3 Investment in and Transaction with Affiliated Entity**

During the year ended December 31, 2017 the Company invested in a Bambu Shoppe. We contributed a Franchise Agreement in exchange for a 25% interest in the entity. During the year ended December 31, 2020, the interest in the entity was reduced to 24% as other investors participated in a capital call that the Company did not.

In addition, during the years ended December 31, 2021 and 2020 we received net payments of \$17,142 and \$13,426, respectively.

For the years ended December 31, 2021, 2020 and 2019 product sales totaled \$53,819, \$6,256 and \$8,830, respectively.

Unaudited summary financial statement information on the equity method investment is as follows:

Current assets	\$	15,599
Property and Equipment		213,133
Other assets		56,251
<b>Total assets</b>	<b>\$</b>	<b>284,983</b>
Current liabilities	\$	244,374
Non-current liabilities		563,774
Equity (deficit)		(522,799)
<b>Total liabilities and deficit</b>	<b>\$</b>	<b>284,983</b>
Total revenue	\$	153,769
Total expenses		(263,626)
Other income		65,100
<b>Net loss</b>	<b>\$</b>	<b>(44,758)</b>

A variable interest entity (VIE) is an entity that either (1) has insufficient equity to permit the entity to finance its activities without additional subordinated financial support or (2) has equity investors who lack the characteristics of a controlling financial interest. A VIE is consolidated by its primary beneficiary. The primary beneficiary has both the power to direct the activities that most significantly impact the entity's economic performance and the obligation to absorb losses or the right to receive benefits from the entity that could potentially be significant to the VIE.

If the Company determines that it has operating power and the obligation to absorb losses or receive benefits, the Company consolidates the VIE as the primary beneficiary, and if not, does not consolidate. The Company's environment constitutes power that is most significant to the entity when it has unconstrained decision-making ability over key operational functions within the entity.

Assets recognized as a result of consolidating VIEs do not necessarily represent additional assets that could be used to satisfy claims against the Company's general assets. Conversely, liabilities recognized as a result of consolidating this VIE do not necessarily represent additional claims on the Company's general assets; rather, they represent claims against the specific assets of the consolidated VIE.

At December 31, 2021, the Company has a variable interest in the affiliated entity, as a result of partial common ownership and advances made to that entity, however the Company is not considered to be the primary beneficiary of the affiliate.

Effective January 1, 2018, the Company entered into an agreement with the affiliate to pay it \$5,000 per month for the use of its premises and staff for training new franchisees and new product development. The agreement can be cancelled at any time.

No loss has been recognized for the year ended December 31, 2021, as cumulative losses are greater than the Company's investment. The Company's maximum exposure to loss as of December 31, 2021 with respect to its relationship with the affiliate, is \$489,787, the amount of the advances made to the entity.

#### **Note 4 Notes Payable**

In March 2019, the Company established a line of credit and signed a Promissory Note (the "Note") with a commercial bank in the amount of \$100,000. The Note provides for a variable interest rate based on the Prime Rate as published in the Wall Street Journal plus 2.00 percentage points. At the close of business on December 31, 2021 the rate was 5.25 %. The due date of the Note was extended on several occasions, the latest of which was to February 1, 2022. The line of credit was converted to a note which is secured by the guarantee of an officer of the Company, as well as by a 2<sup>nd</sup> Deed of trust on property owned by the officer. As of December 31, 2021 and 2020, the outstanding balance of the Note, plus accrued interest was \$8,254, and \$100,000. The Note was paid off during 2022.

In September 2019, the Company established a line of credit and entered into a Business Loan Agreement (the "Agreement") with another commercial bank in the amount of \$122,500. The Agreement was converted from a line of credit to a term loan. The Agreement provides for interest at a rate of the greater of the Wall Street Journal published prime rate or 3.00% (3.25% at December 31, 2021). The due date of the Note was extended on several occasions, the latest of which was to October 21, 2023. In addition, the loan is guaranteed by an officer of the Company. As of December 31, 2021, the outstanding balance was \$47,500.

#### **Note 5 Loan payable**

In April 2020, the Company received a loan in the amount of \$6,600 under the Payroll Protection Program ("PPP"). The loan was forgiven in December 2020 and recorded in Other Income on the Statement of Operations. In January 2021 the Company received a second loan in the amount of \$54,100. This loan was forgiven on October 5, 2021.

#### **Note 6 Settlement Agreement**

In January, 2021 the Company filed a complaint against the owners of four Bambu Shoppes that removed their Bambu identification and continued to operate as dessert and drink stores under a different name. Three of the Shoppes were owned by members of the Company, and one had been sold by the member to a third party. On May 7, 2021, the United States District Court for the Northern District of California issued an Order Granting a Preliminary Injunction prohibiting the franchisee's stores from selling any dessert or drinks containing the proprietary ingredients used by Bambu Franchising LLC. In July 2021 the parties entered into Settlement Agreements whereby the four stores were reconverted back to Bambu Shoppes under current franchise agreements, the franchisee returned its membership interest in the Company, and the defendants paid \$635,000 to the Company which incurred expenses related to the litigation in the amount of \$256,530.

**Note 7 Commitments and Contingencies**

We lease office space under non-cancelable operating leases, which expires on May 31, 2023. The aggregate minimum requirements are as follows:

For years ending December 31,		
2022	\$	18,156
2023		<u>7,656</u>
	\$	<u>25,812</u>

**Note 8 Subsequent Events**

Management has evaluated all activity through April 12, 2022 and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

**EXHIBIT K  
(TO DISCLOSURE DOCUMENT)**

**LIST OF STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS**

<b>STATE</b>	<b>STATE ADMINISTRATOR</b>	<b>AGENT FOR SERVICE OF PROCESS</b>
<b>CALIFORNIA</b>	Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500  One Sansome Street, Suite 600 San Francisco, California 94104-4448 (415) 972-8565  2101 Arena Boulevard Sacramento, California 95834 (916) 445-7205  (866) 275-2677 (toll free) www.dfpi.ca.gov ask.dfpi@dfpi.ca.gov	Commissioner Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 (866) 275-2677 (toll free)
<b>FLORIDA</b>	Florida Department of Agriculture and Consumer Services Division of Consumer Services Attn: Finance & Accounting 407 South Calhoun Street Tallahassee, Florida 32399-0800 (850) 410-3800	None
<b>HAWAII</b>	Commissioner of Securities Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	Hawaii Commissioner of Securities Same Address
<b>ILLINOIS</b>	Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	Illinois Attorney General Same Address
<b>INDIANA</b>	Indiana Secretary of State Division of Securities 302 West Washington Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, Indiana 46204 (317) 232-6531
<b>IOWA</b>	Iowa Secretary of State 321 E. 12 <sup>th</sup> Street Des Moines, Iowa 50319 (515) 281-5204	Same



STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
<b>MARYLAND</b>	Office of Attorney General Maryland Division of Securities 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	Maryland Securities Commissioner Same Address
<b>MICHIGAN</b>	Michigan Attorney General Franchise Section - Consumer Protection Division G. Mennen Williams Building, 1st Floor 525 W. Ottawa Street Lansing, Michigan 48933 P.O. Box 30213 Lansing, Michigan 48909 (517) 373-7117	Department of Commerce Same Address
<b>MINNESOTA</b>	Minnesota Department of Commerce 85 7 <sup>th</sup> Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1638	Minnesota Commissioner of Commerce Same Address
<b>NEBRASKA</b>	Department of Banking and Finance 1526 K Street, Suite 300 Lincoln, Nebraska 68508-2732 P.O. Box 95006 Lincoln, Nebraska 68509-5006 (402) 471-3445	None
<b>NEW YORK</b>	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21 <sup>st</sup> Floor New York, New York 10005 (212) 416-8222	Secretary of State 99 Washington Avenue Albany, New York 12231
<b>NORTH DAKOTA</b>	North Dakota Securities Department 600 East Boulevard Avenue, Fourteenth Floor, Dept 414 Bismarck, North Dakota 58505-0510 (701) 328-4712	North Dakota Securities Commissioner Same
<b>OREGON</b>	Department of Consumer and Business Services Division of Finance and Corporate Securities Labor and Industries Building 350 Winter Street NE, Room 410 Salem, Oregon 97301-3881 (503) 378-4140	Director of Oregon Department of Consumer and Business Services Division of Finance and Corporate Securities Labor and Industries Building 350 Winter Street NE, Room 410 Salem, Oregon 97301-3881 (503) 378-4140

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
<b>RHODE ISLAND</b>	State of Rhode Island and Providence Plantations Department of Business Regulation Securities Division 1511 Pontiac Avenue John O. Pastore Complex - Building 69-1 Cranston, Rhode Island 02920 (401) 462-9500	Director of Rhode Island Department of Business Regulation Same Address
<b>TEXAS</b>	Secretary of State Statutory Documents Section James E. Rudder Building 1019 Brazos Street Austin, Texas 78701 P.O. Box 13550 Austin, Texas 78711 (512) 463-5705	None
<b>UTAH</b>	Utah Department of Commerce Consumer Protection Division 160 East 300 South, 2 <sup>nd</sup> Floor Salt Lake City, UT 84114 801-530-6601	Same
<b>VIRGINIA</b>	State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051	Clerk of the State Corporation Commission State Corporation Commission 1300 E. Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9733
<b>WASHINGTON</b>	Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, Washington 98504-1200 (360) 902-8760	Director of Financial Institutions 150 Israel Road SW Tumwater, Washington 98501 (360) 902-8760
<b>WISCONSIN</b>	Department of Financial Institutions Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 P.O. Box 1768 Madison, Wisconsin 53701-1768 (608) 266-8557	Administrator, Division of Securities Same Address

If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed above in which we have appointed an agent for service of process.

There may also be additional agents appointed in some of the states listed.

**EXHIBIT L  
(TO DISCLOSURE DOCUMENT)**

**STATE ADDENDA TO  
THE FRANCHISE DISCLOSURE DOCUMENT**

**ADDENDUM TO THE  
BAMBU FRANCHISING LLC  
DISCLOSURE DOCUMENT  
FOR THE STATE OF 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.

OUR WEBSITE ([www.drinkbambu.com](http://www.drinkbambu.com)) HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT [www.dfpi.ca.gov](http://www.dfpi.ca.gov).

1. Special Risks to Consider About This Franchise:

**THE FRANCHISE AGREEMENT CONTAINS PROVISIONS THAT LIMIT YOUR RIGHTS AND MAY NOT BE ENFORCEABLE IN CALIFORNIA, INCLUDING BUT NOT LIMITED TO, LIMITATION OF DAMAGES AND WAIVER OF JURY TRIAL.**

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

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

3. The following paragraph is added to Item 5:

The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.

4. The following statement is added at the end of Item 6:

In the event that California law is determined to apply, the maximum interest rate permitted under California law varies but is generally 10 percent per annum.

5. The following statement is added at the end of the section titled "Continuing Assistance" in Item 11:

The Antitrust Law Section of the Office of the California Attorney General views maximum price agreements as per se violations of the Cartwright Act. As long as this represents the law of the State of California, we will not interpret the Franchise Agreement as permitting or requiring maximum price limits.

6. The following paragraphs are added to the end of Item 17:

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

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.

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.)

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).

Section 31125 of the Franchise Investment Law requires us to give to you a disclosure document approved by the Commissioner of the Department of Financial Protection and Innovation before we ask you to consider a material modification of your Franchise Agreement.

The Franchise Agreement requires binding arbitration. The arbitration will occur in Denver, Colorado with the costs being awarded to the 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 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provision of the Franchise Agreement restricting venue to a forum outside the State of California.

The Franchise Agreement requires application of the laws of the State of Colorado. This provision may not be enforceable under California law.

7. 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.

**ADDENDUM TO THE  
BAMBU FRANCHISING LLC  
DISCLOSURE DOCUMENT  
FOR THE STATE OF 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 COMMISSIONER OF SECURITIES OR A FINDING BY THE COMMISSIONER OF SECURITIES 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 DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT 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.

The Franchisor's registered agent in the state authorized to receive service of process is:

Commissioner of Securities  
Department of Commerce and Consumer Affairs  
Business Registration Division  
Securities Compliance Branch  
335 Merchant Street, Room 203  
Honolulu, Hawaii 96813

A. The following statement is added to the end of Item 5:

All initial fees payable to us shall be deferred until we have met all of our pre-opening obligations under the Franchise Agreement.

B. The following paragraph is added to Item 17:

Section 482E-6(3) of the Hawaii Revised Statutes provides that upon termination or refusal to renew the franchise, we are obligated to compensate you for the fair market value, at the time of the termination or expiration of the franchise, of your inventory, supplies, equipment and furnishings purchased from us or a supplier designated by us; provided that personalized materials which have no value to us need not be compensated for. If we refuse to renew a franchise for the purpose of converting your business to one owned and operated by us, we, in addition to the remedies provided above, shall compensate you for the loss of goodwill. We may deduct from such compensation reasonable costs incurred in removing, transporting and disposing of your inventory, supplies, equipment and furnishings pursuant to this requirement, and may offset from such compensation any monies due us.

C. The following list reflects the status of the franchise registrations of the Franchisor in the states which require registration:

1. This proposed registration is effective in the following states: None.
2. This proposed registration is or will shortly be on file in the following states: California, Hawaii, Illinois, Indiana, Maryland, Minnesota, New York, North Dakota, Rhode Island, Virginia, Washington, and Wisconsin.
3. States which have refused, by order or otherwise, to register these franchises are: None.
4. States which have revoked or suspended the right to offer the franchises are: None.
5. States in which the proposed registration of these franchises has been withdrawn are: None.

**ADDENDUM TO THE  
BAMBU FRANCHISING LLC  
DISCLOSURE DOCUMENT  
FOR THE STATE OF ILLINOIS**

Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration in a venue outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that 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.

Franchisees' rights upon termination and non-renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

Item 5 of the Disclosure Document is amended to state that the payment of the initial fees payable to us and any of our affiliates is deferred until all of our initial obligations under the Franchise Agreement have been fulfilled by us and you have commenced doing business pursuant to the Franchise Agreement. In addition, all development fees by area developers shall be deferred until we have fulfilled all of our initial obligations to you under the Franchise Agreement for your first Bambū shoppe developed under the development agreement and you have commenced business of that first Bambū shoppe. The Illinois Attorney General's Office imposed this deferral requirement due to our financial condition.

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.



**ADDENDUM TO THE  
BAMBU FRANCHISING LLC  
DISCLOSURE DOCUMENT  
FOR THE STATE OF INDIANA**

The following modifications are made to the Disclosure Document only to the extent required by the Indiana Franchises Act, IND. CODE § 23-2-2.5, and the Indiana Deceptive Franchise Practices Act, IND. CODE § 23-2-2.7:

1. The following statement is added to Item 12:

Indiana law prohibits us from establishing a franchisor-owned outlet engaged in a substantially identical business within your exclusive territory, or if no exclusive territory is designated, that competes unfairly with you within a reasonable area.

2. The Summary column of Items 17(r) and (w) in the Chart in Item 17 are deleted and replaced by the following:

17(r): No competing business for 2 years within 10 miles of your shoppe.

17(w): Except to the extent governed by federal law, disputes related to a violation of the Indiana Franchises Act or the Indiana Deceptive Franchise Practices Act shall be governed by those laws, and all other matters regarding the Franchise Agreement shall be governed by Federal and Colorado law. The Colorado Consumer Protection Act does not apply.

The amended language has been included in Item 17(w) of this Disclosure Document as a condition to registration. We and you do not agree with the above language and believe that each of the provisions of the Franchise Agreement, including all venue provisions, are fully enforceable. We and you intend to fully enforce all of the provisions of the Franchise Agreement and all other documents signed by us, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal preemption under the Federal Arbitration Act.

**ADDENDUM TO THE  
BAMBU FRANCHISING LLC  
DISCLOSURE DOCUMENT  
FOR THE STATE OF MINNESOTA**

We are contractually obligated by the Franchise Agreement to protect you against claims of infringement or unfair competition with respect to your use of the Marks, when your rights granted therein warrant protection.

Minnesota law provides a Franchisee with certain termination and nonrenewal rights. Minn. Stat. Sec. 80C.14 Subd. 3, 4 and 5 require, except in certain specified cases, that a Franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for nonrenewal of the applicable agreement.

Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in Franchise Disclosure Document or agreement(s) can abrogate or reduce any of franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. (The foregoing language has been included in this Disclosure Document as a condition of registration. We and you do not agree with the above language and believe that each of the provisions of the Franchise Agreement are fully enforceable. We and you intend to fully enforce all of the provisions of the Franchise Agreement and all other documents signed by us, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.)

Minnesota Statutes, Section 80C.17, Subd. 5 provides that any claims and actions based on a violation of Chapter 80C of the Minnesota statutes or any rule or order thereunder shall be commenced within three years from the occurrence of the facts giving rise to such claim or action.

In Items 17(c) and 17(m) any releases you sign will not apply to any claims that may arise under the Minnesota Franchise Act.

The following language is added at the end of Items 5 and 7:

All initial franchise fees payable to us shall be deferred until the day that your Bambū shoppe opens for business.

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.

**ADDENDUM TO THE  
BAMBU FRANCHISING LLC  
DISCLOSURE DOCUMENT  
FOR THE STATE OF NEW YORK**

1. The following information is added to the Cover Page of the Disclosure Document:

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

2. The following paragraphs are added at the end of Item 3:

With the exception of what is stated above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

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

B. No such party has pending actions, other than routine litigation incidental to the business, 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 statement 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), titled **“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 Franchise Agreement on any grounds available by law.

5. The following statement 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.

6. Franchise Questionnaires and Acknowledgements -- No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. Receipts -- Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, 10 business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

WE REPRESENT THAT THIS DISCLOSURE DOCUMENT DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.

**ADDENDUM TO THE  
BAMBU FRANCHISING LLC  
DISCLOSURE DOCUMENT  
FOR THE STATE OF NORTH DAKOTA**

1. The North Dakota Securities Commissioner has held the following to be unfair, unjust or inequitable to North Dakota franchisees:

A. Restrictive Covenants: Franchise Disclosure Documents which disclose the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to this statute.

B. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business.

C. Restrictions on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

D. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.

E. Applicable Laws: Franchise agreements which specify that they are to be governed by the laws of a state other than North Dakota.

F. Waiver of Trial by Jury: Requiring North Dakota franchisees to consent to the waiver of a trial by jury.

G. Waiver of Exemplary & Punitive Damages: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.

H. General Release: Franchise agreements that require the franchisee to sign a general release upon renewal of the franchise agreement.

I. Limitation of Claims: Franchise agreements that require the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota law applies.

2. The following statement is added at the end of Item 5:

All initial fees payable to us and any of our affiliates shall be deferred until we have fulfilled our initial obligations to you under the Franchise Agreement and you have commenced operations pursuant to the Franchise Agreement.

**ADDENDUM TO THE  
BAMBU FRANCHISING LLC  
DISCLOSURE DOCUMENT  
FOR THE STATE OF RHODE ISLAND**

The following statement is added at the end of Item 17:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

The preceding language has been included in this Disclosure Document as a condition to registration. We and you do not agree with the above language and believe that each of the provisions of the Franchise Agreement, including all venue provisions, are fully enforceable. We and you intend to fully enforce all of the provisions of the Franchise Agreement, and all other documents signed by us, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

**ADDENDUM TO THE  
BAMBU FRANCHISING LLC  
DISCLOSURE DOCUMENT  
FOR THE STATE OF VIRGINIA**

1. In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Bambu Franchising LLC for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure. The following statements are added to Item 17(h):

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

2. The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

3. The Virginia State Corporation Commission’s Division of Securities and Retail Franchising requires us to defer payment of the development fee owed by franchisees to the franchisor under the Development Agreement until the franchisor has completed its pre-opening obligations under the initial Franchise Agreement.

4. 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.

**ADDENDUM TO THE  
BAMBU FRANCHISING LLC  
DISCLOSURE DOCUMENT  
FOR THE STATE OF WISCONSIN**

REGISTRATION OF THIS FRANCHISE IN THE STATE OF WISCONSIN DOES NOT MEAN THAT THE STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

The conditions under which the Franchise Agreement can be terminated or not renewed may be affected by the Wisconsin Fair Dealership Law, Wisconsin Statutes 1981-82, Title XIV-A, Chapter 135.



## State Effective Dates

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

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

<b>State</b>	<b>Effective Date</b>
California	PENDING
Hawaii	PENDING
Illinois	PENDING
Indiana	PENDING
Maryland	NOT FOR USE IN
Michigan	PENDING
Minnesota	PENDING
New York	PENDING
North Dakota	PENDING
Rhode Island	PENDING
South Dakota	NOT REGISTERED
Virginia	PENDING
Washington	NOT FOR USE IN
Wisconsin	PENDING

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

**RECEIPT**

(Keep this copy for your records.)

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 Bambu Franchising LLC (“Bambu”) offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor, or an affiliate, in connection with the proposed franchise sale.

New York requires that we give you this Disclosure Document at the earlier of the first personal meeting 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.

Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

Iowa requires that we give you this Disclosure Document at the earlier of the first personal meeting or 14 calendar days before the execution of the franchise or other agreement or the payment of any consideration, whichever occurs first.

If Bambu 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, DC 20580, and the appropriate state agency identified on Exhibit K.

Bambu authorizes the parties identified on Exhibit K to receive service of process for Bambu in the particular state.

The following Franchise Sellers were involved in the offering of this franchise:

The following employee(s) of Bambu, having a principal business address of 6000 E. Evans Ave., Bldg. 2, Suite 210, Denver, Colorado 80222 and a telephone number of (303) 808-9393: Marc Geman, Scott Bachman  
\_\_\_\_\_.

The following independent sales agent (Bambu requests that the prospective franchisee fill in the information if known): \_\_\_\_\_, having a principal business address at: \_\_\_\_\_  
\_\_\_\_\_, telephone number: \_\_\_\_\_.

Issuance Date: March 27, 2024

I received a Disclosure Document dated March 27, 2024, that included the following Exhibits:

Franchise Agreement (Exhibit A); Multi-Unit Development Agreement (Exhibit B); Nondisclosure and Noncompetition Agreement (Exhibit C); Closing Acknowledgement (Exhibit D); Successor Franchise Rider to Franchise Agreement (Exhibit E); Form of General Release (Exhibit F); Owners’ Operations Manual Table of Contents (Exhibit G); List of Franchisees (Exhibit H); List of Franchisees Who Have Left the System (Exhibit I); Financial Statements (Exhibit J); List of State Agencies/Agents for Service of Process (Exhibit K); and State Addenda to Disclosure Document (Exhibit L).

Date: \_\_\_\_\_  
(Do not leave blank)

\_\_\_\_\_  
Signature of Prospective Franchisee

\_\_\_\_\_  
Print Name

**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 Bambu Franchising LLC (“Bambu”) offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor, or an affiliate, in connection with the proposed franchise sale.

New York requires that we give you this Disclosure Document at the earlier of the first personal meeting 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.

Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

Iowa requires that we give you this Disclosure Document at the earlier of the first personal meeting or 14 calendar days before the execution of the franchise or other agreement or the payment of any consideration, whichever occurs first.

If Bambu 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, DC 20580, and the appropriate state agency identified on Exhibit K.

Bambu authorizes the parties identified on Exhibit K to receive service of process for Bambu in the particular state.

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The following employee(s) of Bambu, having a principal business address of 6000 E. Evans Ave., Bldg. 2, Suite 210, Denver, Colorado 80222 and a telephone number of (303) 808-9393: Marc Geman, Scott Bachman

The following independent sales agent (Bambu requests that the prospective franchisee fill in the information if known): \_\_\_\_\_, having a principal business address at: \_\_\_\_\_, telephone number: \_\_\_\_\_.

Issuance Date: March 27, 2024

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Date: \_\_\_\_\_  
(Do not leave blank)

\_\_\_\_\_  
Signature of Prospective Franchisee

\_\_\_\_\_  
Print Name

**IMPORTANT: PLEASE RETURN A SIGNED AND DATED RECEIPT BY: (1) DIGITAL SIGNATURE INITIATED BY BAMBU, (2) MAILING IT TO BAMBU FRANCHISING LLC, 6000 E. EVANS AVE., BLDG. 2, SUITE 210, DENVER, COLORADO 80222, OR (3) EMAILING IT TO MARC@BAMBUFRANCHISING.COM.**

## UNIFORM FRANCHISE REGISTRATION APPLICATION

File No. 633469

(Insert file number of immediately preceding filing of Applicant)

State: Wisconsin

Fee: \$400.00

APPLICATION FOR (Check only one):

- INITIAL REGISTRATION OF AN OFFER AND SALE OF FRANCHISES
- RENEWAL APPLICATION OR ANNUAL REPORT
- PRE-EFFECTIVE AMENDMENT
- POST-EFFECTIVE MATERIAL AMENDMENT

1. Full legal name of Franchisor: **Bambu Franchising LLC**
  
2. Name of the franchise offering: **Bambū**
  
3. Franchisor's principal business address:  
**6000 E. Evans Ave., Bldg 2, Suite 210**  
**Denver, Colorado 80222**
  
4. Name and address of Franchisor's agent in this State authorized to receive service of process:  
**Department of Financial Institutions**  
**Division of Securities**  
**4822 Madison Yards Way, North Tower**  
**Madison, Wisconsin 53705**
  
5. The states in which this application is or will be shortly on file:  
**California, Hawaii, Illinois, Indiana, Maryland, Minnesota, New York, North Dakota, Rhode Island, Virginia, Washington & Wisconsin.**

6. Name, address, telephone and facsimile numbers, and e-mail address of person to whom communications regarding this application should be directed:

Douglas R. Ferguson, Esq.  
Robinson Waters & O'Dorisio, P.C.  
1099 18th Street, Suite 2600  
Denver, Colorado 80202  
Phone: (303) 297-2600  
Fax: (303) 297-2750  
dferguson@rwolaw.com

#### Certification

I certify and swear under penalty of law that I have read and know the contents of this application, including the Franchise Disclosure Document with an issuance date of March 27, 2024 attached as an exhibit, and that all material facts stated in all those documents are accurate and those documents do not contain any material omissions. I further certify that I am duly authorized to make this certification on behalf of the Franchisor and that I do so upon my personal knowledge.

Signed at Denver, Colorado, Feb 20, 2024

**Franchisor:**  
**Bambu Franchising LLC**

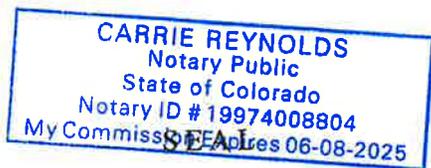
By:   
Name: Marc Geman  
Title: CEO

STATE OF COLORADO )  
 ) ss.  
COUNTY OF DENVER )

Personally appeared before me this 20<sup>th</sup> day of February, 2024, the above-named Marc Geman, to me known to be the person who executed the foregoing application as CEO of the above-named applicant and, being first duly sworn, stated upon oath that said application, and all exhibits submitted herewith, are true and correct.

Witness my hand and official seal.

My commission expires: 4/8/25



Carrie Reynolds  
Notary Public

## UNIFORM FRANCHISE CONSENT TO SERVICE OF PROCESS

Bambu Franchising LLC, a limited liability company organized under the laws of Colorado (the "Franchisor"), irrevocably appoints the officers of the States designated below and their successors in those offices, its attorney in those States for service of notice, process or pleading in an action or proceeding against it arising out of or in connection with the sale of franchises, or a violation of the franchise laws of that State, and consents that an action or proceeding against it may be commenced in a court of competent jurisdiction and proper venue within that State by service of process upon this officer with the same effect as if the undersigned was organized or created under the laws of that State and had lawfully been served with process in that State. We have checked below each state in which this application is or will be shortly on file, and provided a duplicate original bearing an original signature to each state.

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> California: Commissioner of Financial Protection and Innovation | <input checked="" type="checkbox"/> North Dakota: Securities Commissioner  |
| <input checked="" type="checkbox"/> Hawaii: Commissioner of Securities                              | <input checked="" type="checkbox"/> Rhode Island: Director, Department of Business Regulation                              |
| <input checked="" type="checkbox"/> Illinois: Attorney General                                      | <input type="checkbox"/> South Dakota: Director of the Division of Insurance   |
| <input checked="" type="checkbox"/> Indiana: Secretary of State                                     | <input checked="" type="checkbox"/> Virginia: Clerk, Virginia State Corporation Commission                                 |
| <input checked="" type="checkbox"/> Maryland: Securities Commissioner                               | <input checked="" type="checkbox"/> Washington: Director of Financial Institutions   |
| <input checked="" type="checkbox"/> Minnesota: Commissioner of Commerce                             | <input checked="" type="checkbox"/> Wisconsin: Administrator, Division of Securities, Department of Financial Institutions |
| <input checked="" type="checkbox"/> New York: Secretary of State                                    |  |

Please mail or send a copy of any notice, process or pleading served under this consent to:

Douglas R. Ferguson  
Robinson Waters & O'Dorisio, P.C.  
1099 18th Street, Suite 2600  
Denver, Colorado 80202

Date: Feb 20, 2021

Franchisor:  
**Bambu Franchising LLC**

By:   
Name: Marc Geman  
Title: CEO





**FRANCHISE SELLER DISCLOSURE FORM**

I. List who will solicit, offer or sell franchises for the Franchisor in this state:

- A. Name: Marc Geman
- B. Business address and telephone number:  
6000 East Evans Ave., Bldg 2, Suite 210  
Denver, Colorado 80222  
(303) 808-9393
- C. Present Employer: Bambu Franchising LLC
- D. Present Title: Chief Executive Officer and Manager
- E. Employment during the past five years. For each employment, state the name of the employer, position held, and beginning and ending dates:

Mr. Geman has been the Chief Executive Officer and Manager of Bambu Franchising LLC since its formation on December 29, 2014. Since April 2010 he has also been an independent self-employed business consultant and attorney based in Denver, Colorado. Since 1973, Mr. Geman has also been an attorney, licensed in New York and Colorado. Since November 2022, he has owned BambuAV Ltd., which operates an Institutional Facility Bambu shoppe as a concessionaire business in the major sports arena in Denver, Colorado.

2. State whether the person identified in I above:

A. Has an administrative, criminal or material civil action pending against that person alleging a violation of franchise, antitrust or securities law, or alleging fraud, unfair or deceptive practices, or any other comparable allegations?

YES  NO

If you answered "yes", please provide:

- 1. Names of the parties: \_\_\_\_\_
- 2. Forum, nature and current status of the pending action: \_\_\_\_\_
- 3. Case or proceeding identification number: \_\_\_\_\_

B. Has during the 10-year period immediately before the disclosure document's issuance date been convicted of or pleaded nolo contendere to a felony charge; or been held liable in a civil action involving an alleged violation of a franchise, antitrust or securities law, or allegations of fraud, unfair or deceptive practices, or comparable allegations?

YES  NO

If you answered "yes", please provide:

- 1. Names of the parties: \_\_\_\_\_
- 2. The forum: \_\_\_\_\_
- 3. Case or proceeding identification number: \_\_\_\_\_

C. Is subject to a currently effective injunction or restrictive order or decree resulting from a pending or concluded action brought by a public agency and relating to the franchise, or to a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law?

YES  NO

If you answered "yes", please provide:

1. Names of the parties: \_\_\_\_\_
2. Public agency or court: \_\_\_\_\_
3. Case or proceeding identification number: \_\_\_\_\_

\_\_\_\_\_

**FRANCHISE SELLER DISCLOSURE FORM**

1. List who will solicit, offer or sell franchises for the Franchisor in this state:

- A. Name: Scott Bachman
- B. Business address and telephone number:  
6000 E. Evans Ave., Bldg 2, Suite 210  
Denver, Colorado 80222  
(303) 808-9393
- C. Present Employer: Bambu Franchising LLC
- D. Present Title: Chief Operating Officer, Chief Marketing Officer, and Manager
- E. Employment during the past five years. For each employment, state the name of the employer, position held, and beginning and ending dates:

Mr. Bachman has served as the Chief Operating Officer, Chief Marketing Officer, and as a Manager of Bambu Franchising LLC since its formation on December 29, 2014. He also serves as the owner of and oversee CheLatte Dallas LLC, since its inception in January 2018.

2. State whether the person identified in 1 above:

A. Has an administrative, criminal or material civil action pending against that person alleging a violation of franchise, antitrust or securities law, or alleging fraud, unfair or deceptive practices, or any other comparable allegations?

YES  NO

If you answered "yes", please provide:

- 1. Names of the parties: \_\_\_\_\_
- 2. Forum, nature and current status of the pending action: \_\_\_\_\_
- 3. Case or proceeding identification number: \_\_\_\_\_

B. Has during the 10-year period immediately before the disclosure document's issuance date been convicted of or pleaded nolo contendere to a felony charge; or been held liable in a civil action involving an alleged violation of a franchise, antitrust or securities law, or allegations of fraud, unfair or deceptive practices, or comparable allegations?

YES  NO

If you answered "yes", please provide:

- 1. Names of the parties: \_\_\_\_\_
- 2. The forum: \_\_\_\_\_
- 3. Case or proceeding identification number: \_\_\_\_\_

C. Is subject to a currently effective injunction or restrictive order or decree resulting from a pending or concluded action brought by a public agency and relating to the franchise, or to a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law?

YES  NO

If you answered "yes", please provide:

1. Names of the parties: \_\_\_\_\_
2. Public agency or court: \_\_\_\_\_
3. Case or proceeding identification number: \_\_\_\_\_

\_\_\_\_\_



Bambu Franchising, LLC  
Denver, Colorado

Ladies and Gentlemen,

Reese CPA LLC consents to the use in the Franchise Disclosure Document issued by Bambu Franchising, LLC ("Franchisor") on March 27, 2024, as it may be amended, of our report dated , March 15, 2024, relating to the financial statements of Franchisor for the period ending December 31, 2023.

Sincerely,

*Reese CPA LLC*

REESE CPA LLC  
Ft. Collins, Colorado  
March 27, 2024



DOUGLAS R. FERGUSON  
TELEPHONE: (303) 297-2600, Ext. 169  
WRITER'S E-MAIL: dferguson@rwolaw.com

April 1, 2024

**VIA ELECTRONIC SUBMISSION**

Department of Financial Institutions  
Division of Securities  
4822 Madison Yards Way, North Tower  
Madison, Wisconsin 53705

**Re: Bambu Franchising LLC  
Renewal of Franchise Registration  
Registration # 633469**

To Whom It May Concern:

On behalf of Bambu Franchising, LLC (the "Franchisor"), we submit with this letter the following application documents for the 2024 renewal of its franchise registration:

1. A clean copy of the Franchise Disclosure Document.
2. An executed Franchise Registration Renewal Application with a Certification.
3. An executed Uniform Franchise Consent to Service of Process and Acknowledgment.
4. Franchise Seller Disclosure Forms.
5. The auditor's consent letter for those financial statements included in the Franchise Disclosure Document.

We are also submitting payment for the renewal fee in the amount of \$400.00.

The Franchisor's audited financial statements for the most recently ended fiscal year are included as Attachment J to the Franchise Disclosure Document.

If you have any questions or comments regarding the Franchisor or this filing, please do not hesitate to contact me at the telephone number or address indicated at the top of this letter.

Sincerely,

*Douglas R. Ferguson*

Douglas R. Ferguson

Enclosures  
cc: Bambu Franchising LLC  
11212-001 / 611677